Project Work Statement

Prepared by (print): PETER LINES	Date: 15.07.94
Project Title: THE MARKET OPPORTUNITY FOR PRINT OUTSOURCING	Project Code: YNB1
Client Name*: BARCLAYS COMPUTER OPERATIONS	Project Manager: PETER LINES
Project Source: ☐ Program ☐ Multi-Client ☑ Custom ☐ Other	
Project Type: ☑ Report ☐ Presentation ☐ Other	

Initiation Date: 15.07.94	Begin Production:
Midpoint Review:	Shipping Date:
First Draft Due:	

Resources Required:	31½ ESD's
Level of Effort (number of days): Consultant	26½ R/A 5
Source—Internal/External (specify):	INTERNAL 11½ ESDs
	EXTERNAL 20 ESD's.

Contract Value: ~~£~~ 17,500	Reimbursable Expenses: ☐ No ☑ Yes
Expense Budget: ~~£~~ 850	
To Cover: Travel: ✓	Telephone: ✓
Report Preparation:	Other:

Project Description:

TO IDENTIFY REVENUE OPPORTUNITY FOR PRINT OUTSOURCING, AND 3YR FORECAST, IDENTIFY KEY MARKET SECTORS, VALIDATE CURRENT MARKET POSITION, BUYING PROCESS AND CLIENT COMMUNICATIONS CHANNELS. CONDUCT UP TO 70 INTERVIEWS (20 VENDOR — 50 USER) IN THE UK, ANALYSE RESULTS, PREPARE WRITTEN REPORT AND FOIL-BASED PRESENTATION.

* Attach list for Multi-Clients **For Custom and Multi-Client Projects

ACCOUNTING USE ONLY: Entered on current project list ☐

INPUT•

PURCHASE ORDER
TEMPORARY STAFF REQUISITION

To: Personnel From: PETER LINES Date: 12.09.94
Location: ☐ CA ☐ NJ ☐ VA ☑ UK ☐ FR ☐ ____

Level of Temporary Employee: *Attach Exhibit A of Agreement prior to submission for approval.*

☐ Budgeted ☑ Not Budgeted/Justification: CUSTOM

☐ Consultant ☑ R.A. (Interviewer) ☐ Clerical

Agency/Company Name: ____

Name: ROGER FOLKES

Reporting to: PETER LINES Dept.: ~~YNB4~~ RESEARCH

Date Required: 12.09.94 to ~~10.10.94~~

Project Name: PRINT OUTSOURCING Code: YNB1

Work Description: CONDUCT 40 TELEPHONE INTERVIEWS WITH USERS OF LARGE SCALE LASER PRINTING USING A PREPARED QUESTIONNAIRE

Payment:

CONSULTANT:
☐ Temporary Professional Services Agreement
☐ Independent Contractor Agreement

Total ESDs: ~~5~~ Total Fixed Price ~~$/£~~ ____

Payable by no. ____ tasks. Estimated expenses $/£ ____

CLERICAL/RA:
☐ Temporary Employment Agreement/Letter
☐ Agency

Total Days/Hours: 5 ESDS Rate: ~~$/£~~ 12.00 per INTERVIEW

Total Cost: ~~$/£~~ 480 to maximum of: $/£ ____

☐ Open Contract for anticipated additional projects/Exhibit As (not to extend beyond December 31)

☐ Additional Exhibit A attached for current Contract

Requisition Approvals:

Unit Manager: Peter Lines Date: 12.09.94

V.P. Admin.: ____ Date: ____

President: ____ Date: ____

☐ Personnel/Admin. ☐ Accounting ☐ Branch: ____

temp. Req. copied to MV. E.A to ~~file~~ for sig. STORE

MV 20/10/94

PER 100/01 2/92

INDEPENDENT CONSULTING SERVICES AGREEMENT

EXHIBIT A

I. CONSULTANT INFORMATION

Name: ROGER FOLKES

Address: 1-2-1 Enterprises, 273 Nantwich Road, Crewe Cheshire, CW2 6DF

Telephone: (0270) 68831 Tax ID#: _____

II. PROJECT INFORMATION

Project Manager: PETER LINES

Project Name: PRINT OUTSOURCING Code: YNB1

Agreement Date: From: 12.09.94 To: 10.10.94

Exhibit A Date: From: // To: //

Replaces Exhibit A: (*If Applicable*) Code: _____ Date: _____

III. TASK DESCRIPTION

List and number project tasks and specify in detail the exact scope of the tasks. Attach project specifications, interview forms, etc.

CONDUCT 40 TELEPHONE INTERVIEWS WITH USERS OF LARGE SCALE LASER PRINTING CONNECTED WITH DATA CENTRES.

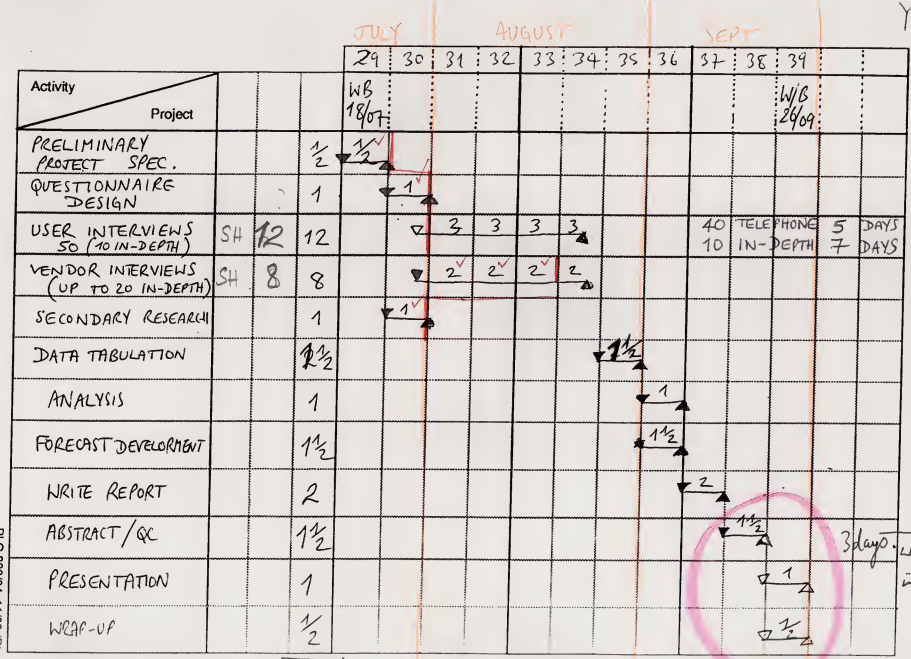
~~PRGA~~ USING STANDARD QUESTIONNAIRE

NOTE:-

40 INTERVIEWS CONTRACTED AS TWO INDEPENDANT CONTRACTS of 20 INTERVIEWS EACH. Peter Lines.

SCHEDULE 1994 BARCLAYS COMPUTER OPERATIONS INPUT²

YNB1



YNB1

Presentation YNB1 BCO in Dec.

PLG 300/04 11/93 (R)

Name of Individual: PETER LINEL 3½ Dept./Program. CUSTOM RSCH. EUROPE Date: 15.07.94

INPUT®

PURCHASE ORDER
TEMPORARY STAFF REQUISITION

To: **Personnel** From: PETER LINES Date: 26.07.94

Location: ☐ CA ☐ NJ ☐ VA ☑ UK ☐ FR ☐ ____

Level of Temporary Employee: *Attach Exhibit A of Agreement prior to submission for approval.*

☐ Budgeted ☑ Not Budgeted/Justification: CUSTOM

☑ Consultant ☐ R.A. (Interviewer) ☐ Clerical

Agency/Company Name: CHELVERTON HOUSE LIMITED

Name: STEPHEN HELMS

Reporting to: PETER LINES Dept.: RESEARCH

Date Required: 25.07.94 to 31.08.94

Project Name: THE MARKET OPPORTUNITY FOR PRINT OUTSOURCING Code: YNB1

Work Description: CONDUCT IN-DEPTH INTERVIEWS WITH VENDORS AND USERS OF LARGE-SCALE PRINTING ROOMS USING A PREPARED QUESTIONNAIRE AND CONDUCT ADDITIONAL TELEPHONE INTERVIEWS.

Payment:

CONSULTANT: 17½ DAYS × 200 = £3500

Total ESDs: ____

Payable by no. CO 2½ ← 20 × 12 = £240

CLERICAL/RA: 3740

Total Days/Hours: 20 DAYS

Total Cost: $/£ ____

☐ Open Contract for anticipated additional projects/Exhibit AS (not to extend beyond December 31)

☐ Additional Exhibit A attached for current Contract

Requisition Approvals:

Unit Manager: Peter Lines Date: 27.07.94

V.P. Admin.: _____ Date: _____

President: _____ Date: _____

☐ Personnel/Admin. ☐ Accounting ☐ Branch: ____

PER 180/01
2/92

INDEPENDENT CONSULTING SERVICES AGREEMENT

EXHIBIT A

I. CONSULTANT INFORMATION

Name: STEPHEN HELMS

Address: 55, CHELVERTON ROAD, PUTNEY, LONDON, SW 15 1RW

Telephone: (081) 788-7458 FAX -6309 Tax ID#: _____

II. PROJECT INFORMATION

Project Manager: PETER LINES

Project Name: PRINT OUTSOURCING Code: YNB1

Agreement Date: From: 25.07.94 To: 31.08.94

Exhibit A Date: From: // To: //

Replaces Exhibit A: (*If Applicable*) Code: _____ Date: _____

III. TASK DESCRIPTION

List and number project tasks and specify in detail the exact scope of the tasks. Attach project specifications, interview forms, etc.

FROM PREPARED QUESTIONNAIRES CONDUCT IN-DEPTH INTERVIEWS WITH 20 VENDORS AND 10 USERS OF PRINTING SERVICES — LARGE COMPUTER APPLICATION RELATED PRINT SHOPS USING HIGH SPEED LASER PRINTERS.

PREPARE AND DELIVER COMPLETED TRANSCRIPTS OF ALL INTERVIEWS TO A LEVEL THAT PROVIDES A COMPREHENSIVE SUMMARY OF THE INTERVIEW RESULTS.

ADDITIONALLY TO CONDUCT SHORTER TELEPHONE INTERVIEWS WITH USERS USING A SEPARATELY PREPARED QUESTIONNAIRE, AND TO COMPLETE WRITTEN QUESTIONNAIRE FORMS TO AN ACCEPTABLE AGREED STANDARD.

IV. REVIEW OF PROGRESS:

List task numbers and/or dates review of progress will be performed.

20 VENDOR IN-DEPTH
10 USER IN-DEPTH
20 USER SHORTER TELEPHONE INTERVIEWS

TO BE COMPLETED BY THE END OF AUGUST 1994.
WEEKLY REVIEW OF PROGRESS.

V. DELIVERABLES/DUE DATES/FEES:

List task numbers, date due and fees for each task.

ALL TASKS TO BE COMPLETED BY THE END OF AUGUST —

30 INDEPTH INTERVIEWS FOR A TOTAL FEE OF £3,500, (PER INTERVIEW — £116·67)

20 SHORTER USER TELEPHONE INTERVIEWS FOR £240, (PER INTERVIEW — £12).

VI. PAYMENT SCHEDULE:

List task numbers, invoice due date, and scheduled invoice payment date.

PAYMENT UPON COMPLETION

VII. REIMBURSABLE EXPENSES

List type of expenses and maximum amount to be reimbursed. INPUT Travel Authorisation and Expense Report forms to be attached.

NORMAL BUSINESS EXPENSES FOR TRAVEL, TELEPHONE ETC.

VIII. AUTHORISATIONS

Signed: Peter Lines

INPUT PETER LINES
(Print Name)

Date 27.07.94

Signed: _____

Contractor _____
(Print Name)

Date _____

PLEASE REMIT INVOICES TO: INPUT, ATTENTION: (ABOVE NAMED PROJECT MANAGER)

ORDER/INVOICE/FULFILLMENT

YNB1

Acctg. ONLY

Inv. Comp.	By:	Date:	Client #	Order #	Inv. #	Multi-Invoicing
		19 7 94			E3545	1 of 1

CUSTOMER/INVOICE TO

ORIGINATOR (Signature) Peter Finer DATE 15.07.94

Company BARCLAYS COMPUTER OPERATIONS CA Tax Rate

Name Mr./Ms. ROSS CLARKSON CT Tax 8%

Position MARKETING MANAGER Salutation MR.

Address GRANITE HOUSE State —

17/101 CANNON STREET Zip E 4N 5AD

City LONDON Country UK

Province — Fax 626 - 4300

Phone 071 - 623 - 3001 TLX 924-0820

APPROVALS: Peter Finer — VP Sales/Res. — 15.07.94 Date — Controller — Date

Special instructions for invoicing, progress billing, or delayed payments, etc.

50% ON COMMENCEMENT / 50% ON COMPLETION

+ BUSINESS EXPENSES.

ORDER

Contract Year Beg. 1/94 End 12/94

☑ New Order (N1) ☐ Prior Yr (N3) ☐ Renewal (N2) ☐ Cancel

Invoice Type ☐ Fulfillment Only ☐ W/Order (OR) ☐ Monthly (MO) ☐ Quarterly (QT) ☐ Pending

Employee # Sold by:	Employee # Commission to:
519 100 %	1.45 %
%	%
%	%

CLIENT AUTH.

PO# INPUT Contract ☑ Letter ☐ Verbal ☐

Attach all authorizing documents to white (contract) copy.

SHIP TO

Company Province

Name Mr./Ms. Salutation

Position AS ABOVE State

Address Zip

Country

City Phone

ITEM TYPE

- Subscription (SB)
- Custom (YC/ZC/KC)VC
- Multiclient (MC)
- Reports (RP)
- Copies (CP)
- Consult/Present (PR)
- Newsletter (NL)
- Reimbursed Costs (EX)
- Merger/Acq. (ME)
- Exec Overview (EO)
- Conf/Seminar (CN)

DETAIL

Indicate US, UK, FR, VA	Prod. ID/Year	Item Type Code	Item Description or Title	Quantity	Price	Shipped By	Date
UK	CUSTOM	YC	THE MARKET OPPORTUNITY	1	17,500		
	STUDY/		FOR PRINT OUTSOURCING				
	94		— CUSTOM STUDY				
			YNB1				
			ALL BUSINESS				
			EXPENSES TO BE				
			ADDITIONAL TO PROJECT FEE				

Fulfillment to be completed in: ☐ Corporate ☑ London ☐ Virginia ☐ France ☐ Other

• White - Contract • Green - Fulfillment • Yellow - Invoice • Pink - Originator • Goldenrod - Sales Manager

M&S180 12/92

INPUT

Authorisation

To authorise this study, *The Market Opportunity for Print Outsourcing*, for a total professional fee of £17,500 (excluding VAT), please sign and return a copy of this proposal to INPUT Limited, 17 Hill Street, Mayfair, London, W1X 7FB.

Authorised by:

Barclays Computer Operations	**INPUT Limited**
R C	Peter Lines
Signature	Signature
R. CLARKSON	PETER LINES
Name	Name
MARKETING MANAGER	MANAGING DIRECTOR
Title	Title
30-6-94	08.07.94
Date	Date

Your Telephone Number is Changing!!!

PHONEDAY Changes are Live NOW

THE AUTOMATIC TELEPHONE & FAX NUMBER CONVERSION PROGRAM FOR DATABASES

All dialling codes and some telephone numbers throughout the UK are now changing, In fact the new codes are already up and running. The old codes will disappear and will no longer be valid in April 1995.

If your company or clients store telephone or fax numbers in databases, these must all now be converted to the new format.... either laboriously by hand or automatically and correctly in seconds using THE TELEPHONE DATABASE UPDATE SENIOR PROGRAM.

The program will convert all .dbf files written in DBASEIII or IV, FOXBASE, FOXPRO, CLIPPER and other similar databases as well as contact programs such as TELEMAGIC and GOLDMINE. Also ACCESS, DATAEASE, PARADOX and other databases may be converted via the dbase export/import procedure. Simple and easy to use, the program converts 1000's of records in seconds!!

Most dialling codes will have a '1' inserted after the initial '0'

Converts All UK Dialling Codes

The exceptions are:-

Hull	5 digit numbers will be preceded by a '3'
Jersey	5 digit numbers will be preceded by an '8' (on 16th April)
Bristol	will change from 0272 to 0117 and the old number will be preceded by a '9'
Leeds	will change from 0532 to 0113 and the old number will be preceded by a '2'
Leicester	will change from 0533 to 0116 and the old number will be preceded by a '2'
Nottingham	will change from 0602 to 0115 and the old number will be preceded by a '9'
Sheffield	will change from 0742 to 0114 and the old number will be preceded by a '2'

All International codes change from 010 to 00 and about 70+ special dialling codes will not be changing.

The program displays all the names of the data fields for easy conversion. Handles hyphens or spaces used by some modem programs and cleans the database telephone numbers before conversion.

Retail
£ 79.00
+ £ 13.86 Vat

Evaluation and trade prices less 40% discount

Only Available From

VISA

Paymaster Systems Ltd
32 High Street
Beckenham
Kent BR3 1BD

Tel:- 0181 650 4860
Fax:- 0181 658 4020

MasterCard.

BCO

YNB1

DIARY NOTE

05.09.94

Total Project 31½ days

Already committed to Steven Helms:
17½ for £3,500

- 14 left – additional work for Steven 3 days £600.

- Roger Folkes – 20 cc user interviews.
= 2½ days.

\+ £100 for preparation of masters

Chelverton House Limited

55, Chelverton Road, Putney, LONDON SW15 1RW
Telephone: 081 788 7458 Fax: 081 788 6309
Telephone: 081 780 0359

CHL

30 July 1994

Mr Peter Lines
Managing Director
Input Ltd
17 Hill Street
Mayfair
London W1X 7FB

Dear Peter

Thank you very much again for your kind hospitality at lunch recently and the confirmation of our agreement to proceed with the Print Outsourcing market research work you specified. I received the contract on Friday 29th July 1994 and am pleased to enclose it with Exhibit A, both signed by me today.

I started telephoning for interviews on Friday and am now scheduled to visit Centre-File on Monday 1st August and RHM at Harlow on Tuesday 2nd August. I am also due to recall Amanda Carson of Sema and John Kelly of Hoskyns on Monday since they were out on business yesterday.

I regret the fax of the vendor questionnaire came through rather blurred and a photocopy would, I felt, have looked poor quality in front of a client. I therefore scanned it in to WordPerfect and I enclose a copy for you - I trust this agreeable to you. In any case, we may well modify it following the first few interviews.

I hope to speak to you next Wednesday and provide you with some feedback on the first two interviews.

Kind regards

Yours sincerely

Stephen Helms
Director

INPUT®
IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: July 28, 1994

To: Name: Stephen Helms
Tel./Location: 081-788-7458
Co.: Chelverton House Limited
Fax No: 081-788-6309
From: Name: Peter Lines
Subject:

Page: 1 of 1
File: Chron
Contact
Other:

Stephen, I suggest you start making a few calls onthe following vendor firms:

Centre-file, David Stranack is someone well known to us, please mention my name, if he is still there, he used to run their direct mail outfit so may be useful. 071-480-3000.

Sema Group, their outsourcing Group is based in the Midlands, try Amanda Carson, she may be able to put you on to the right person if they do anything in this area, 021-627-5500, again I am well known to her.

Other organisations that might be worth an initial trial would include, Hoskyns, maybe try John Kelly at their Shaftesbury Road location, he knows me quite well, and RHM at Harlow , I think, but they have just changed their name recently.

Hopefully this is enough to get started. I am now away until Tuesday, I will touch base with you then.

Regards Peter.

The Market Opportunity for Print Outsourcing

A Proposal for a Market Research Study

for

Barclays Computer Operations

From

INPUT - Europe

April 1994

INPUT
17 Hill Street, Mayfair, London, W1X 7FB, U.K. +44 71 493 9335
24, avenue du Recteur Poincaré, 75016 Paris, France +33 1 46 47 65 65
Sudetenstrasse 9, D-35428 Langgöns-Niederkleen, Germany +49 6447 7229

Objectives

The research objectives are as follows:

- Identify the revenue opportunity for print outsourcing with a three year forecast of likely demand.
- Determine the key market sectors and develop a strategy for segmenting the market.
- Validate the current market position of *Edotech* and make recommendations for change as appropriate
- Determine the typical buying process, decision-making unit and buying criteria for print outsourcing
- Identify the most cost-effective methods for communicating with selected target customers.
- Evaluate key competitors in relation to *Edotech's* current market position.

Scope

The study is to be entirely undertaken in the U.K. The study is to focus on users with paper intensive applications with large numbers of documents or large numbers of customers. Typical industries are likely to be financial services, utilities, retail and local and central government.

Methodology

The project would commence with a meeting between INPUT and BCO to confirm the precise project objectives and agree the project time scale.

INPUT would then proceed to conduct both desk and field research designed to achieve the project objectives. INPUT would develop a guide-line document for competitive vendor interviews and a questionnaire for interviewing current customers of large-scale laser printing services. INPUT proposes to gather data and information from all the current major competitors for large scale laser printing services.

In addition INPUT proposes to interview up to fifty (50) users of large-scale printing services, the majority of these interviews would be conducted by telephone. However, it is proposed to do up to ten on an in-depth, face-to-face basis in order to gain a deeper understanding of user needs and wants for large-scale printing services. To the extent possible, INPUT would like to interview BCO and IBM staff involved in the *Edotech* activity to provide a more detailed understanding of the organisation's services and capabilities. INPUT envisages a mid-point review with BCO to report on research progress and the achievement of the project objectives. Upon completion of the research, INPUT would analyse and synthesize the data and information collected and prepare market analyses and forecasts for the relevant market sectors.

INPUT would prepare a written report to bring together the research findings, conclusions and recommendations, and the report would include an executive overview. INPUT would make a foil-based presentation of the results to BCO.

Time Scale

The proposed research project would be conducted to the following schedule:

Week	Activity
1	Project Commencement and Kick-off Meeting
2	Finalise interview guides and questionnaires and organise field research.
2-5	Conduct field research
4	Mid-point review
6-7	Analyse results and prepare market forecast.
8	Prepare written reports
9	Presentation to BCO

Responsibility and Experience

The project would be conducted under the overall responsibility of Mr. Peter Lines, INPUT's Vice President of European Research. INPUT would, in addition, employ experienced associate consultants to participate in the field research.

Confidentiality

The research information collected for this study would not be revealed to any third party without BCO's express permission nor would INPUT reveal any information given by BCO in the course of the study to any third party.

Professional Fee

The professional fee for this study, as specified, would be £17,500 (excluding VAT) and excluding direct expenses (primarily travel and telephone costs) which would not be expected to exceed 5% of the total project fee. Fifty percent of the project fee is due and payable on project authorisation, the final 50% due and payable on project completion.

Authorisation

To authorise this study, *The Market Opportunity for Print Outsourcing*, for a total professional fee of £17,500 (excluding VAT), please sign and return a copy of this proposal to INPUT Limited, 17 Hill Street, Mayfair, London, W1X 7FB.

Authorised by:

Barclays Computer Operations	**INPUT Limited**
Signature	Signature
Name	Name
Title	Title
Date	Date

22 April, 1994

Mr Ross Clarkson
Marketing Manager
Barclays Computer Operations
77-101 Cannon Street
London
EC4N 5AD

Dear Ross

Please find attached INPUT's proposal for a custom research study on *The Market Opportunity for Print Outsourcing*. I trust this meets with your requirements. I am out of the office for the week commencing 25th April 1994 however the London Office does hold a contact number, so if you have any queries, please do not hesitate to contact the office who will pass a message on to me.

In any event, I will call you on my return to the office on Tuesday, 3rd May.

Yours sincerely

Peter Lines
Managing Director
INPUT - Europe

Encs

BCO / Edited

		ESD's (RES 243)	MNGR	CONS.	INPUT RA	EXT RA	TOTAL
1.	Prelim. Proj. Spec.	1		1/2			
2.	Client Poll	2					
3.	Authorisation	1/2					
4.	Questionnaire Design	1½-2		1/2 + 1/2			
5.	Questionnaire Approval	½					
6.	User Int.						
	- Face to Face	1⅓/day		12	£2,100 → 7 days f-t-f		10
	- Telephone 50	4/day				5 6	
7.	Vendor Int. 4 to 20						
	- Face to Face	1⅓/day		8			
	- Telephone	4/day					
	Interviewer Supervision	*					
8.	Secondary Research	1		1			
9.	Data Tabulation	25 quest/ junior day		2 1/2			
10.	Exhibits analysis 1	15 exhibits /day					
11.	Forecasting						
	- Industry Sector	1		1½			
	- Forecast Mode	3					
12.	Vendor Profiles	4/6 per day					
13.	Writing	10 pages/day		2			
14.	Abstract/Press Release	½		1/2			
15.	Production QC	1		1			
16	Presentation	1†		1			
17.	Thankyou Package	½		1/2			
18.	Project Wrap-Up	1					
				19 1/2			

* Not shown in RES 243 - but necessary for control of <<foreign>> language interviews. ½ day per project.

† Now a requirement for all reports

31½ 15,000 + 2,100 £17,500 875

EXTERNAL

SCHEDULE 1994

INPUT

Activity / Project				1	2	3	4	5	6	7	8	9	10	11	12	13
1.				1/2												
4.				1												
6.		50			—	—	—									
7.					—	—	—									
9.									2 1/2							
11										1 1/2						
12											2					
16												1				

PLG 300/04 11/93 (R)

Name of Individual: _____ Dept./Program: _____ Date: _____

INPUT®
IT Intelligence Services

17 Hill Street
London, W1X7FB
Tel: +44 (0) 71 493 9335
Fax: +44 (0) 71 629 0179

FAX TRANSMITTAL FORM

Date: 03.01.95 Confidential: Y/N

Name: Bob Hazell Urgent: Y/N

Location:

Company: BCO

Fax No: 626-4700 Page: 1 of 9

From: Peter Lines File: Cron/Contract/Other

Re: Laser Print Outsourcing Market.

Bob,

Following our conversation last week I have gone back over the forecast and rewritten the last part of Chapter III (enclosed) to make its development clearer - I hope?

In any event I look forward to talking to you on the phone shortly.

Regards
Peter Lines.

INPUT®
IT Intelligence Services

17 Hill Street
London, W1X7FB
Tel: +44 (0) 71 493 9335
Fax: +44 (0) 71 629 0179

FAX TRANSMITTAL FORM

Date: 03.01.95
Confidential: Y/N
Name: Bob Hazell
Urgent: Y/N
Location:
Company: BCO
Fax No: 071-626-4300
Page: 1 of 7.
From: Peter Lines
File: Cron/Contract/Other
Re:

Bob,

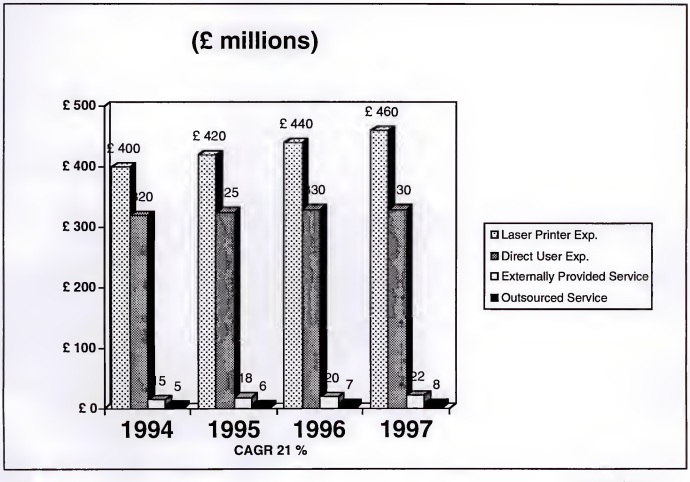
Revised sheets as promised.

Regards

Peter Lines.

Exhibit III-15

UK Outsourcing Market



Source: INPUT

Exhibit III-16 shows the combined total opportunity for print outsourcing, that contracted directly with customers and that contracted with outsourcing firms.

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Exhibit III-16

UK Laser Print Outsourcing Market (£ millions)

Category	1994	1995	1996	1997
Outsourced to Users	5	6	7	8
Outsourced by Outsourcers	5	10	15	25
Total Sector	10	16	22	33

Table source

d. High Volume Laser Print Processing Services

The high volume laser printing processing services part of the market comprises two elements. Firstly direct mail business and secondly the printing of general business documentation, for example billing and invoicing documents and possibly secure printing applications like payroll slips.

Because many of these documents relate to money this second group is typically referred to as the business critical documents sector.

The market opportunity for direct mail derived business has been developed in the following way.

The total expenditure for direct mail has been estimated for the UK market by the Royal Mail and is shown in Exhibit III-17.

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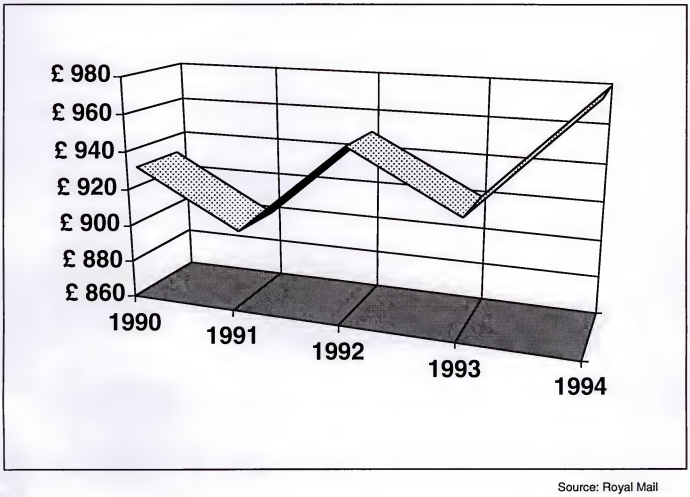
Exhibit III-17

UK Direct Mail Expenditure



Source: Royal Mail

The proportion of this total expenditure which is represented by printing is estimated to be about 15% in 1994 and growing to about 18% in three years time.

Further it is estimated that about 15% of that printing is laser printing and that the proportion of laser printing of total printing is also likely to increase to nearly 20% in three years time.

Thus a forecast for the total market related to direct mail can be developed and this is shown in Exhibit III-18.

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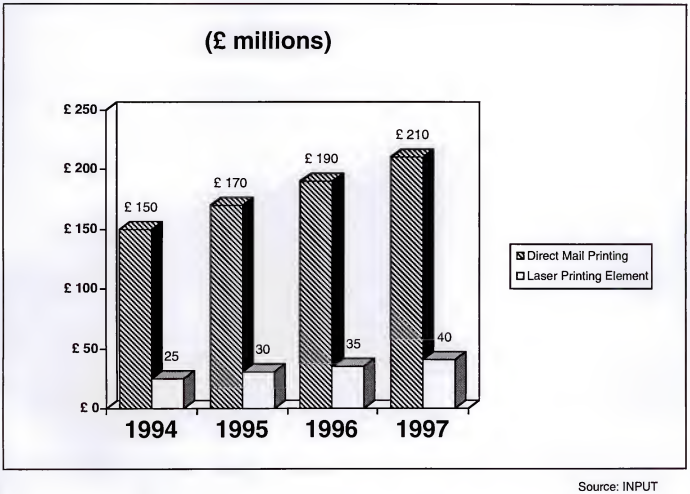
Exhibit III-18

UK Direct Mail Market



Source: INPUT

The second part of the laser printing processing services sector is that for business critical forms. This part of the market was identified earlier in conjunction with that for complete print outsourcing.

It was estimated to amount to some two thirds of the total potential for external printing services. The development of the forecast is shown in Exhibit III-19.

As a sanity check on the overall size of the forecast for processing services, Exhibit III-19 also shows an estimate of the business critical element of the entire UK laser print market not accounted for under general data centre outsourcing (i.e. for the £320 million in 1994 the estimate is £40 million).

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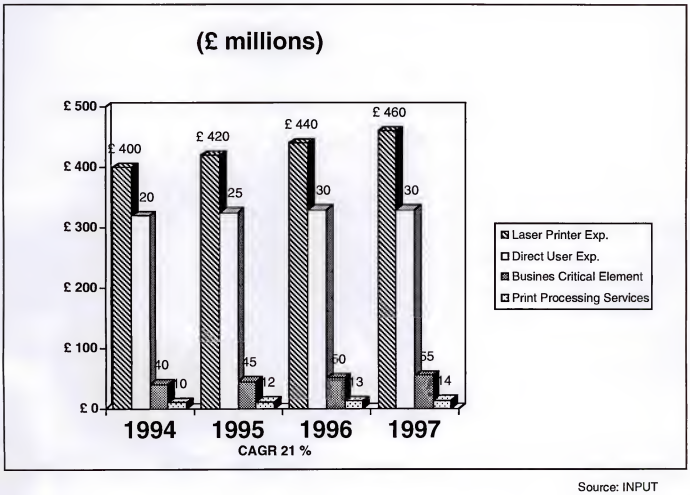
Exhibit III-19

UK Business Critical Forms Market



Source: INPUT

Exhibit III-20 shows the summary of the Processing Services sector comprising direct mail services and business critical forms processing.

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Exhibit III-20

UK Laser Print Processing Services Market (£ millions)

Category	1994	1995	1996	1997
Business Critical Forms Processing	10	12	13	14
Direct Mail Laser Printing	25	30	35	40
Total Sector	35	42	48	54

Source INPUT

Exhibit III-21 shows the summary for the derivation of the total market forecast.

Exhibit III-21

Total UK Laser Print Outsourcing Market (£ millions)

Category	1994	1995	1996	1997
Business Critical	35	42	48	54
Outsourcing	10	16	22	33
Total Market (Rounded)	45	55	70	85

Source INPUT

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INPUT

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CONTACT REPORT

INPUT Staff: Init. PL Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____

Contact Date: / /

Date Written: 29 / 12 / 94.

Company	BCO
Name	Bob Hazell
Title	
Address	
Phone: ( )	071 - 623 - 3001, 6600 Ext
Fax: ( )	626 - 4300.

DISTRIBUTION: Action	Info.	By When	Prog./Proj. ID Describe Action-F/U

- Market Sizing + Segment .....

111-21.

Next Wednesday Tuesday...

☐ Continued over

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. **Customer Type:** ☐ Vendor ☐ Others ☐ Media ☐ User

3. **Newsletters:** ☐ EDI ☐ Field Service ☐ Other

4. **Vendor:** Vendor Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level—☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level—☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services—☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. **If User:** User Type—☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level—☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level—☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive—☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other—☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT Continuation

Company _____

Name _____

M&S 310 11/90

DIRECT MAIL:

- GROWTH 10–15% pa. (4% by volume last year)
- SIZE IN '94: TOTAL EXPENDITURE ↓ ie POST OFFICE → #s.

	'94	'95	'96	'97
■ DM PRINTING	150	170	190	210
■ 15-20% ISLAIER	25	30	35	~~40~~ 40
	16			19%

Market size

Q18 – likelihood of moving to outsourcing soon ... ?

VQ7/8 ? in depth only..

VQ4 → DM

Size of DM business
vendors
amount spent on pmt

DC IT
H-V L-P

USCR SPENDING
OUTSOURCING
PROCESSING, SERVICES

GROWTH RATES

POTENTIAL

3 YRS.

From reported vendor #'s lower v other ⇒

1990 1991 1992 1993 1994

930 900 950 920 1000

111-17 114

320 —

Database checker reveals mistakes in mailing lists 30.10.94

BRITISH PEOPLE are the worst in Europe for making mistakes in addressing mail, says the Post Office. But the Royal Mail must take part of the blame because, for cultural and legal reasons, it is the only postal service that does not insist on the postcode, *writes Christopher Lloyd.*

In a bid to encourage mailers to get it right more often, the Post Office has teamed up with GB Mailing Systems, in Chester, which has built its own British address database.

Iain Johnston, the managing director, has compressed all 25m British business and residential addresses from a 2,000 Mb to a 60 Mb database and his firm has sold the CD-Rom-based system, called Postcode Manager, to bulk mailers for the past three years.

Now, with the support of the Post Office, GB Mailing is launching the Address Checker Plus system, which can analyse any address database file and identify inaccuracies in house numbers, streets, localities, postal towns and postcodes.

The system is targeted at anyone who runs an address database as well as bulk mailers that use the Royal Mail's Mailsort system. This gives reductions of between 15% and 32% for mailshots of 4,000 items or more.

"It means that anyone who manages customer address databases can work towards 100% accuracy in his mailing lists, maximising the chances of next-day delivery," says Johnston. "Customers can also check whether they come up to the Royal Mail's requirement of 90% address accuracy in order to qualify for Mailsort discounts."

The Royal Mail depends on correctly addressed mail to increase the efficiency of its next-day delivery service, says Jim Johnson, director of address management. At least 13% of mail is sent without postcodes.

To combat incorrectly and insufficiently addressed mail, the Royal Mail this month began offering a free copy of a simplified version of the database checker disc, called Address Checker.

"We want our customers to be able to identify their problems quickly and easily so that we can improve delivery times," says Johnson. The disc will comprise part of a package aimed at helping mailers clean up their address databases.

The difference between the Address Checker and Address Checker Plus (which costs £199) is that while the former gives an overall database accuracy figure, the full version shows which addresses are faulty and how — building number, street, post town or postcode.

Companies can then manually correct the data using new address directories being printed by the Royal Mail in 11 regional divisions.

The first edition covering the South Central area was released last month although all 11 editions will not be finished until the spring. A relevant directory will be mailed free to all 1.6m business addresses.

● *Royal Mail 031-550 8999*

POSTAL SERVICES

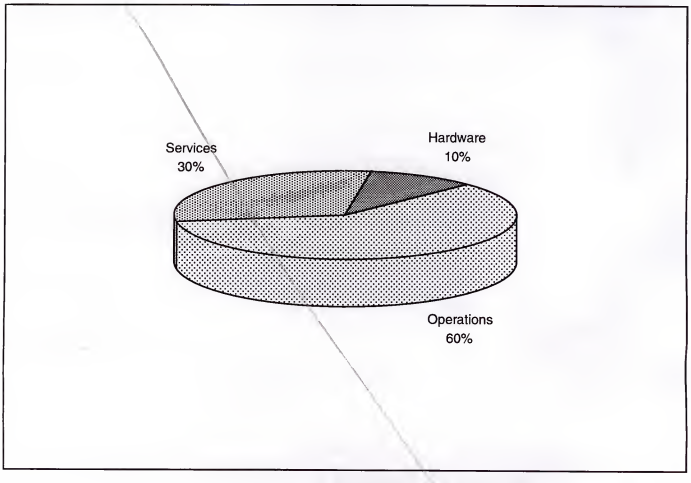
THE SUNDAY TIMES

DIRECT MAIL IN BRITAIN

Expenditure, £m

Exhibit III-12

UK Laarge Scale Laser Printing Market



Sample of 47 respondents. (Ref. UQ3) Source: INPUT

Thus the total market of £400 comprises £40 million on hardware, £120 million on third party point services, eg hardware maintenance, and £240 million spent on operations.

Of the total £400 million it is estimated that £80 million is covered within data centre outsourcing contracts.

~~*Laser Print Operations Outsourcing*~~

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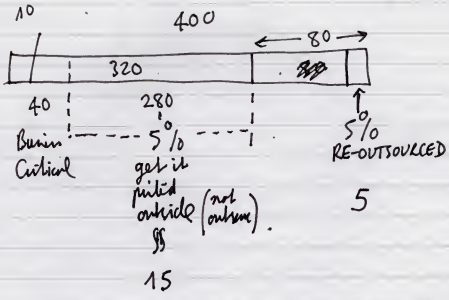
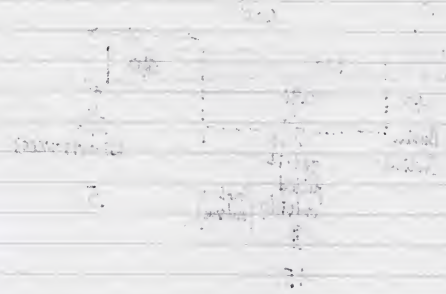

10
400
80
320
40
280
0
5%
RE-OUTSOURCED
Busin
Critical
5%
get it
build
outside
(not
outsou
55
15
5



	'94.	'95.	'96.	'97.
Paper printing growing 25%pa	400	420	440	460
Outsourced	80	95	110	130
outsourced by outsourcers re-outsourced	5	10	15	25
	320	325	330	330
Business Critical 10–15%	30-50			30-50
say	40	45	50	55
5% outsourced but outside of this	16	16	16	16
say	15	18	20	22
1/3rd complete outsource	5	6	7	8
2/3rds service only	10	12	13	14

– Ex III-14

Direct Mail

	94	95	96	97
	980			
15% porting	150	170	190	210
15-20% lease	25	30	35	40

BCO

£400M

40	120	240

Paper printing is growing at 5% pa.

Remove £80M OUTSOURCED

£320M.

4/W 32	SERVICES 96	OPERATIONS 192

Simplify to....

30	100	190	1994

- Some proportion of this from FM firms. growing @ 18% pa.

say 10% is available by 1995 could be 20% by 1997

5-10 in 94

£320/400 growing @ 5% pa. ie 370 − 130 240

400 −80 | 420 95 | 440 110 | 460 130

	94	95	96	97
NON OSCD.	320	325	330	330
CRITICAL BUSINESS	30-50 40	30-50 45	30-50 50	30-50 55
POTENTIAL 20%	10	10	10	10
10%	5	6	7	8

TOTAL | 15 | 15 | 15 | 15 |

1994	95	96	97
80	95	110	130
5	10	15	25

OS 18%

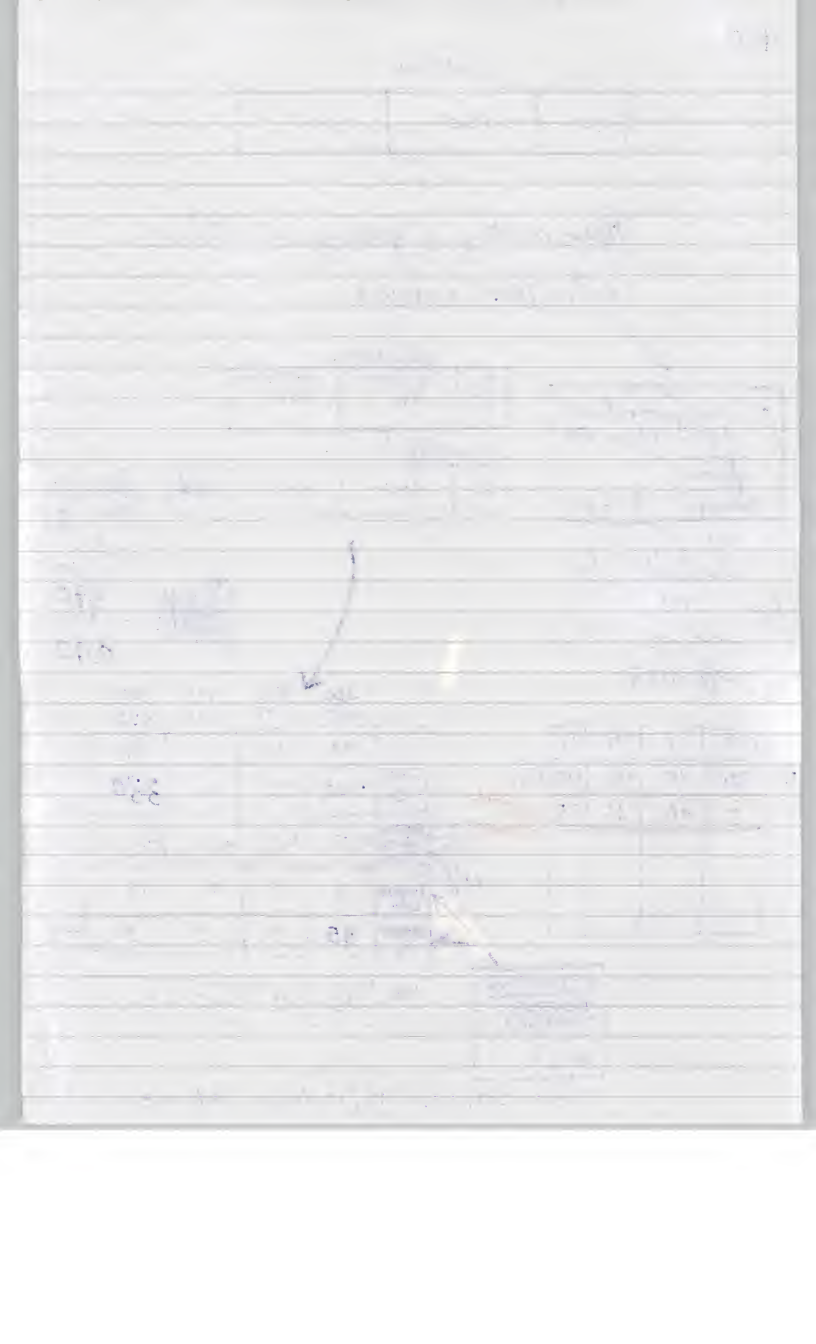
available from outsourcing

15%

10%

OUTSOURCING PRINTING DIRECTLY say 5%

320-40 = 280 x 0.05 = 15 (inclusive ∴ take away 10) = 5



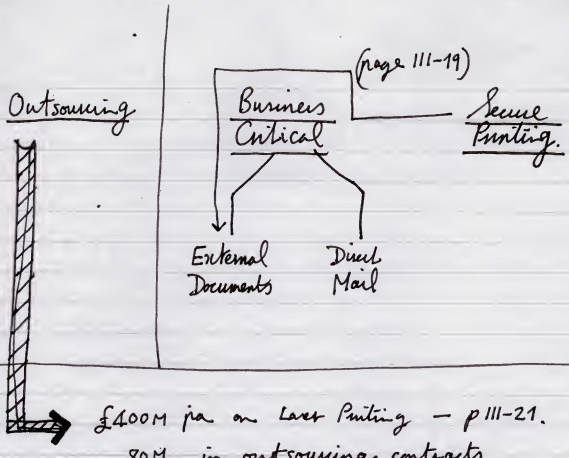
	1994	95	96	97	
SECURE BUSINESS CRITICAL DOCUMENTS	–	–	–	–	
■ NON DM	10	10	10	10	
■ DM	25	30	35	40	
SUB-TOTAL	35	40	45	50	(13%)
	35	42	48	54	
OUTSOURCED TO USERS	5	~~6~~	~~7~~	~~8~~	
OUTSOURCED TO OUTSOURCERS	5	10	15	25	
SUB-TOTAL	10	~~16~~	~~22~~	~~33~~	(44%)
	10	16	22	33	
TOTAL	45	55	65	80	21%
	45	55	70	85	24%

7M ⟶ 20% ~~30~~

23%

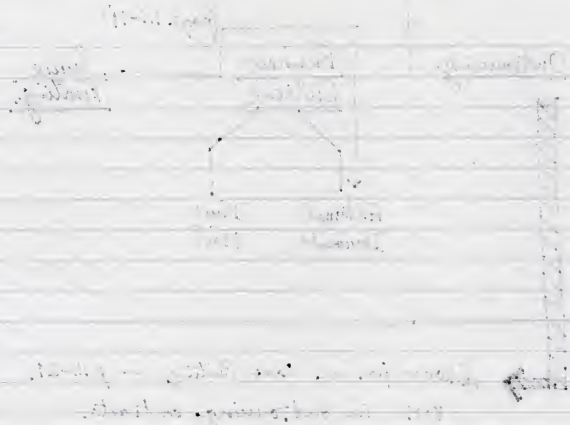
OUTSOURCE	7	20	(23%)
DIRECT MAIL	30	70	(~~18~~%)
	37	90	
	40	100	20%.

	94	95	96	97	
Paper Printing. Growing 5%	400	420	440	460	
	80	95	110	130	
	5	10	15	25	— Ex III-14.
	320	325	330	330	— Ex III-15.
10-15% can be considered Business Critical	40 (12.5%)	45	50	55 (17%)	— Ex III-15
Outsourcing 5% (more page III-23)	280	280	280	275	
→	15	15	15	15	
—	10	10	10	10	(which is being outsourced anyway as an DM
		12	13	14	
	5	6	7	8	



£400M pa on Laser Printing — p III-21.
80M in outsourcing contracts.
Outsourced to outsourcers £5 – 25M — p III-22.

400	420	440	460
320	325	330	330



FROM THE ~~USER~~ VENDOR SAMPLE :

- 12 FIRMS DOING ~£~ 90M

~~SAY~~ OF WHICH SAY ~~18~~ LASER 50 OTHER PRINT
20 OTHER

BUT 90 ~~WOULD~~

DM SAY OUT OF £150M

∴ MARKET X3

↓

~~£54~~ M ON LASER PRINTING SERVICES

v

45 v my estimate.

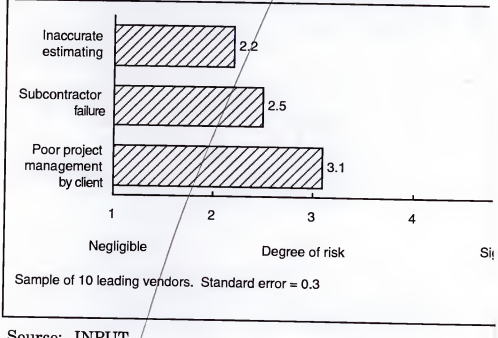
UK.

	93	98
Other Processing	£110M	22% £295
Platform Operations	£310M	18% £700
PRINTING	10 – 20 →	
DIRECT MAIL	£800M	
of which PRINTING	£120 – 160 .	

Essentially, vendors perceive that the major sources of project lie in the front-end stages of a project. However, in spite of thi vendors still typically seem to place the responsibility for defin requirements and ensuring user commitment to them firmly the hands of the client organisation. Only one vendor suggeste that prototyping was essential to assist the client in clarifying requirements and developing a suitable specification.

Exhibit 2

Sources of Project Risk: Low Risk Factors



Sample of 10 leading vendors. Standard error = 0.3

Source: INPUT

The same vendor also suggested that it was a responsibility of th vendor to ensure that the business owner of the project on the client side fully understood the project. In many cases, client sign-off of the initial specification is an administrative procedu done without any real understanding of the project's scope and likely impact on the client organisation. In addition, few vendor appear to consider that promoting the virtues of the project to users is an important way of increasing commitment and hence reducing project risk.

Few vendors appear to have consistently compiled metrics for estimating project costs. Instead they tend to base their decision on two independent, but internal estimates from experienced

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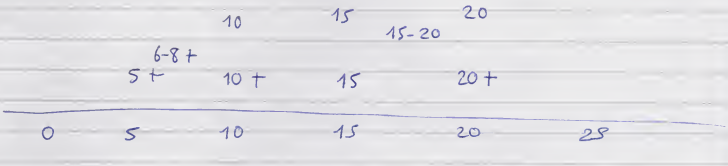
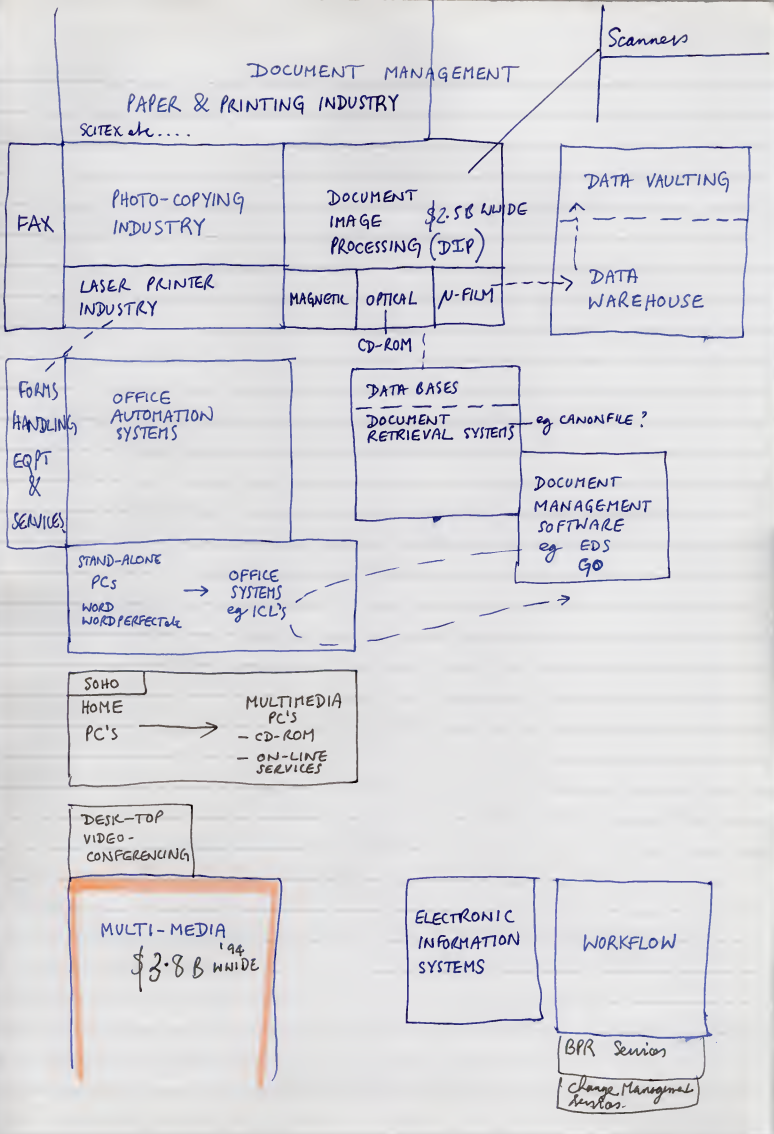
GROWTH RATES FOR DIRECT MAIL



DIRECT MAIL GROWTH 30


DOCUMENT MANAGEMENT
PAPER & PRINTING INDUSTRY
SCITEX etc....
Scanners
FAX
PHOTO-COPYING INDUSTRY
DOCUMENT IMAGE PROCESSING (DIP)
$2.5B WWIDE
DATA VAULTING
LASER PRINTER INDUSTRY
MAGNETIC
OPTICAL
N-FILM
DATA WAREHOUSE
CD-ROM
FORMS HANDLING EQPT & SERVICES
OFFICE AUTOMATION SYSTEMS
DATA BASES
DOCUMENT RETRIEVAL SYSTEMS
eg CANONFILE ?
DOCUMENT MANAGEMENT SOFTWARE
eg EDS
GO
STAND-ALONE PCs
WORD WORDPERFECT etc
OFFICE SYSTEMS
eg ICL's
SOHO
HOME PC's
MULTIMEDIA PC's
- CD-ROM
- ON-LINE SERVICES
DESK-TOP VIDEO-CONFERENCING
MULTI-MEDIA
$3.8B '94 WWIDE
ELECTRONIC INFORMATION SYSTEMS
WORKFLOW
BPR Services
Change Management Services.

DOCUMENT IMAGE SYSTEM

DOCUMENT MANAGEMENT MARKET

DIS

10 ≙ 12% is Swiss
≙ 1% is S/W.
4%

	H/W $	1994 Application S/W Product Market.	$ milja Workflow S/W Products	Document Management
D.	~~$2951~~	2,500	2/10	$30 — 15
CH.		390		5 — 15-20
A.		210		5 — 10-15
Europe	~~$1825~~ ~~1850~~	12,000		
UK	320	1,100	5-10	say $20M

④ Assumptions: Document Management S/W Probably ~~¾~~ 2-3 x Workflow mkt at most.

② Markets in D/CH/A probably ~~very~~ more limited than UK — but Swiss Banks ..... ? — proportionally

Growth rate 15% ✓

12.32

...S WINS AT&T AS VIDEO SERVER PARTNER

Silicon Graphics Inc always seemed to be among the ... of the smaller companies gearing up to fight the ... multimedia wars – and yesterday the company won a giant leg-up when AT&T Corp announced that it would be forming a joint venture company with the Mountain View high-performance graphics workstation king.

The venture, Interactive Digital Solutions, is equally owned by AT&T's Network Systems unit and Silicon Graphics, and its mission is to develop large-scale, interactive video server systems for telephone company networks and cable television systems. It will develop software to integrate Silicon Graphics' MIPS RISC-based media server and system software with key elements of public networks, including such AT&T products as high-speed switching, synchronous transport, broadband access systems and network operations systems. No financial terms were disclosed but the agreement is an enormous boost to Silicon Graphics's ambitions because AT&T has already been given big multimedia video-on-demand network systems integration contracts by the Pacific Bell subsidiary of Pacific Telesis Group Inc, Bell Atlantic Corp, Southwestern Bell Corp, Northern New England Telephone Co and Southwestern Bell Corp. Silicon Graphics is already in the ... interactive cable television network ... Florida, where it is supplying servers ... also to to equip Nippon Telegraph ... Canals; Electronic Data ... graphics servers. AT&T plans to ... in its long-distance network as ... sion service for telephone and ... le companies. The only question ... where the agreement will leave ... IT's internal server development ... year, it was talking about a ... o server that as well as using ... cal or magnetic disk would use ... st box of memory chips as cache ... ore complete movies when ... ers request them (CI No 2,183).

FUJITSU ANNOUNCE THEIR OBJECT ALLIANCE

... and Fujitsu Ltd yesterday announced their strategic collaboration to offer advanced multi-software products based on ... technology to the worldwide ... c. ICL is taking Fujitsu's ...ligentPad and its ODB-II object database, and the two are also working together on Graphics... Windows. Intelli... to ena... sall...

...ISK ARM AVASTOR – PREPARATORY TO SELLING IT?

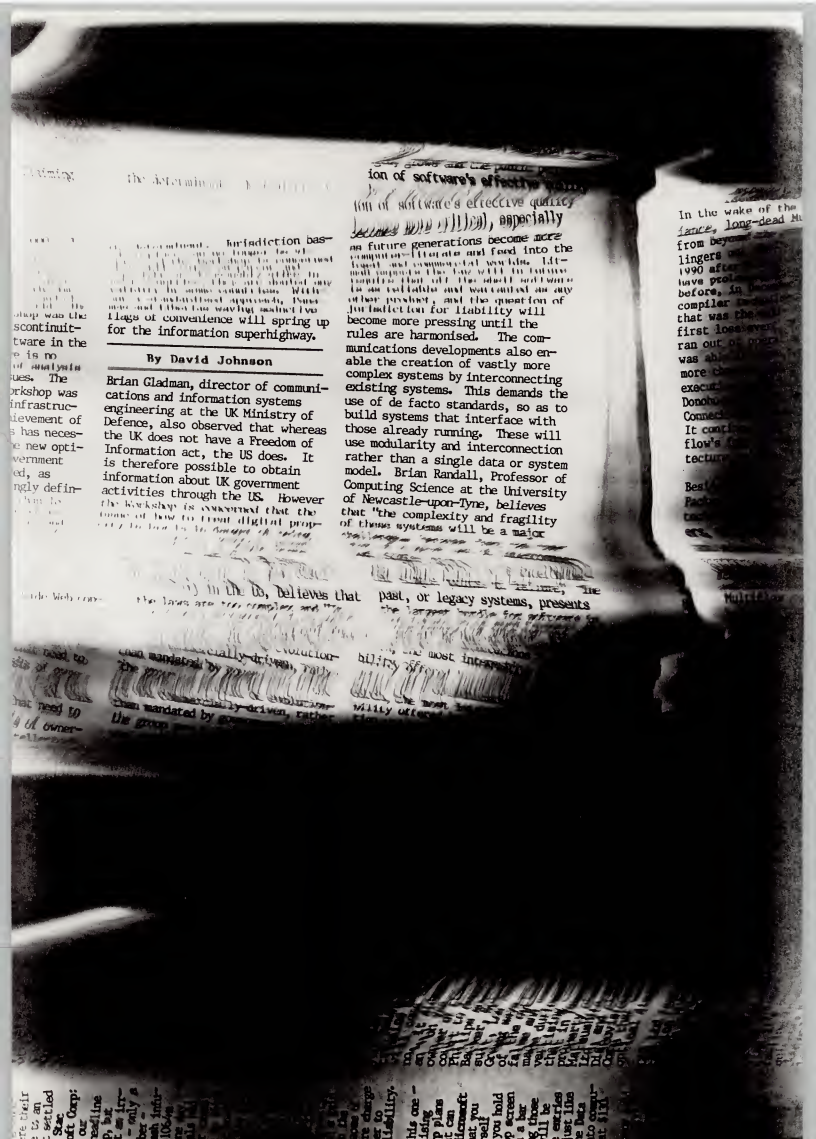
In what looks like a clear sign that the company wants to sell the business, Digital Equipment Corp has given its OEM Storage Business a new name: Avastor. It also established an Avastor Customer Council [illegible] to provide feedback information, technical data, installation assistance and trouble-shooting for magnetic disk, tape drive and solid state storage customers. The first move by Avastor was to announce a new Capella Series of disk drives for high-end desktop machines. The line includes the first model from DEC to use magneto-resistive heads, and currently ... 8.9" ... high ... 2,000 ...

Silicon Valley ... Stanford University ... or annual revenue of Barmet, but the business has Stanford, Apple Computer Inc and Hewlett-Packard Co among its customers. The company has also cut by more than half the price it charges businesses for access to the World Wide Web on the New England access provider it acquired last year from the Massachusetts Institute of Technology, Nearnet. The access fee was cut to $3,950 from $8,450, but annual fees, starting at $7,600, are unchanged. Customers of Nearnet include the Massachusetts Institute, Lotus Development Corp, Harvard University and individual access provider Delphi Services Inc. The company is going back to its roots in a big way with the acquisitions because it built and operated the pioneering Arpanet for the Defense Advanced Research Projects Agency. IBM Corp alumnus George Comrades, now president and chief executive of Bolt, Beranek said "Combining two of the premier regional Internet Services is an important ... ing ... of becoming the leading ... Boards."

DIP	Europe $ million	
Product	779	own.
Consultancy	180	
	959.	

D

Geography	DIS Equipment	Services	S/W Products
D	400	40	15
CH	70	5	3
A	25	2	1
Europe	1850	200	75
UK	320	35	15



...ion of software's effective quality ...especially ... future generations become more ... and feed into the ... and commercial worlds. Ultimately impacts the law will in future ... that all the stuff and ... is as reliable and well controlled as any other product, and the question of jurisdiction for liability will become more pressing until the rules are harmonised. The communications developments also enable the creation of vastly more complex systems by interconnecting existing systems. This demands the use of de facto standards, so as to build systems that interface with those already running. These will use modularity and interconnection rather than a single data or system model. Brian Randall, Professor of Computing Science at the University of Newcastle-upon-Tyne, believes that "the complexity and fragility of these systems will be a major ... past, or legacy systems, presents ... most infra... ability offered ...

...jurisdiction bas... ...flags of convenience will spring up for the information superhighway.

By David Johnson

Brian Gladman, director of communications and information systems engineering at the UK Ministry of Defence, also observed that whereas the UK does not have a Freedom of Information act, the US does. It is therefore possible to obtain information about UK government activities through the US. However the workshop is concerned that the ... in the US, believes that ... the laws are too complex and ...

III
Market Size

The total value of the market for workflow related systems in the UK in 1992 is estimated to be $70 million as shown in Exhibit III-1.

EXHIBIT III-1

Component	Value
Equipment & imaging products	45
Workflow Software Products	5
Services - consultancy, training etc.	20
TOTAL	**70**

However the major component of these revenues derives from equipment for document image processing. Such equipment is associated with the majority of workflow sales. Revenues from workflow software products are estimated to comprise less than 10% of total revenues.

Thus the revenues achieved on average by a systems integrator are approximately $500K per sale. Workflow software product revenues average approximately $35K per sale.

Growth in the market has not been rapid over the last year, and the overall imaging/workflow market has been unable to support the large number of vendors present. This has led to the withdrawal of companies such as Hewlett-Packard and IDL.

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television and telephone service. (A federal judge recently brushed such concerns aside in ruling it unconstitutional for Bell Atlantic to be barred from providing video. The decision could be overturned on appeal.)

Other vexing issues await. Should network builders be forced to provide "universal service", connecting every house on demand? Should prices for basic services be mandated? Should the system be open for anyone to put content on? Or should network operators alone be left to decide which services and programming they accept? Will technical standards be available to the public, or will they be proprietary?

When earlier versions of these questions were raised during development of the cable TV, telecoms and computer industries, the answers varied widely. Multimedia thus deepens a debate which will be echoed around the world—especially in countries with telephone monopolies or state-owned broadcasters—and on which growth and profitability will depend. "How can I figure out the right capital expenditure," asks one frustrated American cable boss, "when it might be years before Congress and the courts get their acts together?"

Massaging the medium

A fair question. But to see what may lie beyond these issues, assume a network. Consider the viewer, confronted with 500 channels—or 5,000, or just one—linked to a computer stocked with every imaginable piece of software. Will he be baffled? Or just bored? Avoiding both these outcomes will be multimedia's biggest challenge.

Adrift in a sea of channels, viewers will first need help navigating. They will also need to be convinced that what they might see is worth paying for. "Just as software and system services drive the computer industry," writes Nicholas Negroponte, an academic at MIT's Media Lab, in *Wired*, a clever new techno-media magazine, "programming and intelligent browsing aids will drive the television industry."

Back to Mr Miller. His employer, Viacom, has a venture with StarSight, a small firm that is designing an electronic TV guide. The competition will include TCI, which, betting that a well-known brand name will be an advantage, has teamed up with Mr Murdoch's News Corp, which owns *TV Guide* (the paper version), to make a browsing aid based on the magazine's format. Bell Atlantic is developing an easy-to-use system called "Stargazer".

The real question, though, is not so much what such menus will look like, as what they will offer. One sure bet is "movies-on-demand". Video shops make 80% of their sales on 10% of their titles. Yet it is a law of nature," notes Mitch Kapor, former boss of a computer-software firm, Lotus, and now a public-interest lobbyist on high-tech issues, that "regardless of how many copies of a hot movie a video store has, there's never one left on the shelf when you get there". Video-on-demand preys on this frustration. At first, popular films will be shown simultaneously on several channels, but with staggered start-times so viewers can tune in when they wish. Eventually, viewers should be able to see most movies at most times without leaving home.

Beyond that, the outlook is less clear. Champions of multimedia point to other rich markets which their creature might devour (see table). But doing so will not be easy. Anyone who has watched America's tacky home-shopping channels knows they are no immediate threat to conventional retailing. The history of electronic newspapers and other on-line information services has been disappointing enough to make even fervent proselytisers for multimedia wary of predicting success for services beyond movies-on-demand.

Luring consumers will require programming that is visually arresting, intelligent and easy to use. Home-shopping will probably have to grow much more sophisticated in its presentation, perhaps whisking viewers off to a virtual Versace where they can watch clothes being modelled on images of their own bodies. Educational software will need to mix video, sound and text in ways which seduce children and parents alike.

Cannibal's feast

Market sizes, 1992 estimates, $bn

	United States	Britain
Telephone services	150	35
Mail order/home shopping	70	6
On-line information services	35	7
Home video rental	12	2
Video games*	5	1

Source: Oppenheimer & Co; Euromonitor; ICC Key Note; press reports
*Hardware and software

These "killer applications" will probably not come from boffins. Instead, they will come from a new breed of high-tech bohemians—call them techno-bohos—who combine computer skills with story-telling and/or artistic flair. Some even have business savvy. Before Viacom, Mr Miller advised big firms on computer systems as well as designing interactive art installations.

Yet his position at Viacom is rare. Most techno-bohos work not for big media or computer firms, but for the small video-game and software houses which promise to be central to multimedia's future. The success of Nintendo and Sega in infiltrating homes around the world indicates that people may well also pay to have games piped in through networks. Moreover, the creators of such games are already perfecting the skills needed to bring video, animation, sound and narrative together effectively.

Their magic is much in demand: Chevron Oil recently hired Maxis, a video-game software house, to make simulation games for training its refinery workers. Game-making acumen should also help craft educational and reference programmes which will add mightily to multimedia's respectability and so reinforce its appeal.

True, most programmes of this sort made for CD-ROM machines hooked up to computers, have so far been visually crude and textually uninspired. But the exceptions hint at what may come. Knowledge Adventure, a Californian start-up, produces sharp-witted educational programmes for children. Another Californian firm, Voyager, makes music-appreciation discs such as "Multimedia Beethoven". Hong Kong-based InterOptica specialises in travel. Its "Astonishing Asia" lets users explore images and information on everything from strange rituals to even stranger stimulants.

Such firms may one day emerge as the Walt Disneys of multimedia, and are attracting corresponding curiosity from the industry's behemoths. Apple has agreed to distribute InterOptica's CD-ROM discs; AT&T and Paramount have stakes in Knowledge Adventure; in May, Viacom bought a tiny video-game house, ICOM Simulations. Analysts at Salomon Brothers reckon that multimedia software will gradually consolidate into a handful of big "studios".

The Hollywood parallel goes deeper. Historically, the media industry's winners have been those able to control both programming and distribution. That precedent helps explain why Mr Levin of Time Warner, a cable giant with film and publishing interests, is one of multimedia's biggest boosters; and why Mr Malone is trying to grab as much programming as he can. It also leads some media savants to predict that Nynex's role in the Paramount battle will not be the last instance of a telecoms firm pursuing a film studio or TV network.

History is not destiny. Governments may decide to treat interactive networks as pieces of public infrastructure and to limit how much "content" their owners can control. Even if that does not happen, the multimedia industry may still not turn into a digital Hollywood, dominated by vertically integrated giants. Once bandwidth is in effect unlimited, and especially if there are competing delivery systems—based on telephone-line, cable and wireless systems—demand for programming will be immense. Successful programmers, even small ones, may have so much leverage that they can treat distributors as mere middlemen.

Either way, says Adrian Slywotzky, of Corporate Decisions, a Boston-based management consultancy, the next few years will determine the shape of multimedia. "In the computer industry, the genetic code was set in 1979-83; everything that's happened since was set in motion then." In multimedia, the chromosomes are being configured now.

FORMS HANDLING EQUIPMENT

Introduction

Contents

Collators/decollators for continuous stationery 286
Bursters for continuous stationery 286
Guillotines for continuous stationery 287
Automatic signing machines 287
Addressing and mailing equipment for computer output 287

COLLATORS/DECOLLATORS FOR CONTINUOUS STATIONERY

Arle Tech Ltd	Alton	(0420) 542040
BABS International Ltd	London	081-965 9821
SJ Bedwell & Sons (Printers) Ltd	Billericay	(0277) 634444
Bowe Systems (UK) Ltd	Maidenhead	(0628) 39141
Colvin Ltd	Caterham	(0883) 340511
Computer Accessories Ltd	Northwood	(0923) 836666
Daystar	Manchester	061-248 8088
Divi (UK) Ltd	Warrington	(0925) 444415
Formflow (Equipment) Ltd	Shipley	(0274) 580944
GEM Computer Forms Equipment Ltd	Chorley	(0257) 271283
Kemp Applications Sales Ltd	New Malden	081-942 2248
Milldale Ltd	Huddersfield	(0484) 534214
One Piece Mailer Ltd	Chorley	(0257) 241807
Paper Handling Ltd	Loughton	081-502 3934
PFE International Ltd	Loughton	081-502 1011
Renaddress Ltd	Waltham Abbey	(0992) 712592
Schleicher & Co Int Ltd	Crawley	(0293) 611133
Snows Business Forms Ltd	Southampton	(0703) 777711
Warwick Fraser & Co Ltd	Weybridge	(0932) 350501

BURSTERS FOR CONTINUOUS STATIONERY

Amicus Ltd	Potters Bar	(0707) 873864
Arle Tech Ltd	Alton	(0420) 542040
BABS International Ltd	London	081-965 9821
SJ Bedwell & Sons (Printers) Ltd	Billericay	(0277) 634444
Bowe Systems (UK) Ltd	Maidenhead	(0628) 39141
Colvin Ltd	Caterham	(0883) 340511
Compaddress Ltd	Basingstoke	(02562) 29191
Computer Accessories Ltd	Northwood	(0923) 836666
CS Group Ltd	Hitchin	(0438) 359555
Daystar	Manchester	061-248 8088
Divi (UK) Ltd	Warrington	(0925) 444415
Formflow (Equipment) Ltd	Shipley	(0274) 580944
GEM Computer Forms Equipment Ltd	Chorley	(0257) 271283
GP Business Forms	Walsall	(0922) 615315
Kemp Applications Sales Ltd	New Malden	081-942 2248
Milldale Ltd	Huddersfield	(0484) 534214

BUY BRITISH

formflow

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SO SIMPLE IT WORKS!

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- Lightweight + Heavyweight papers
- Carbonless + Carbon interleaved sets

NATIONWIDE SALES + SERVICE — NO OBLIGATION ON-SITE DEMONSTRATIONS

Was £1950

Was £1600

B50 BURSTER

- Very Quiet • Exceptionally robust
- Handles multi-part forms easily
- Variable speed + trimmer options
- Easy to operate

D200/400 DECOLLATOR

- 500' per minute performance
- Superb refolding
- Combined tractor + friction feed
- Automatic end of run sensor

FORMFLOW (EQUIPMENT) LTD 196 LEEDS ROAD, WINDHILL, SHIPLEY BD18 1EA TEL: 0274 580944 FAX: 0274 531516

Nelson Computer Services Ltd	Rossendale	(0706) 217755
One Piece Mailer Ltd	Chorley	(0257) 241807
Pandex UK Ltd	Maidstone	(0622) 686585
Paper Handling Ltd	Loughton	081-502 3934
PFE International Ltd	Loughton	081-502 1011
Renaddress Ltd	Waltham Abbey	(0992) 712592
Schleicher & Co Int Ltd	Crawley	(0293) 611133

GUILLOTINES FOR CONTINUOUS STATIONERY

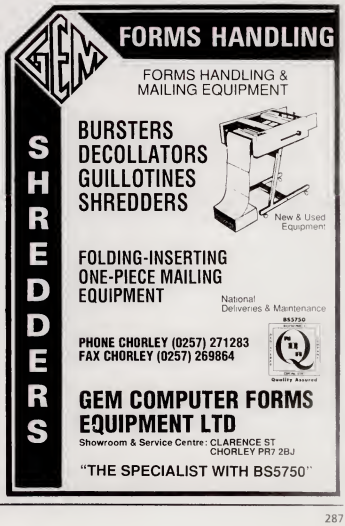
Arie Tech Ltd	Alton	(0420) 542040
BABS International Ltd	London	081-965 9821
Bowe Systems (UK) Ltd	Maidenhead	(0628) 39141
Colvin Ltd	Caterham	(0883) 340511
Compaddress Ltd	Basingstoke	(0256) 29191
Computer Accessories Ltd	Northwood	(0923) 836666
Divi (UK) Ltd	Warrington	(0925) 444415
Formflow (Equipment) Ltd	Shipley	(0274) 580944
GBC (United Kingdom) Ltd	Basingstoke	(0256) 842828
GEM Computer Forms Equipment Ltd	Chorley	(0257) 271283
Kemp Applications Sales Ltd	New Malden	081-942 2248
Milldale Ltd	Huddersfield	(0484) 534214
One Piece Mailer Ltd	Chorley	(0257) 241807
Pandex UK Ltd	Maidstone	(0622) 686585
Paper Handling Ltd	Loughton	081-502 3934
PFE International Ltd	Loughton	081-502 1011
Schleicher & Co Int Ltd	Crawley	(0293) 611133

AUTOMATIC SIGNING MACHINES

Arie Tech Ltd	Alton	(0420) 542040
Computer Accessories Ltd	Northwood	(0923) 836666
Divi (UK) Ltd	Warrington	(0925) 444415
One Piece Mailer Ltd	Chorley	(0257) 241807
Paper Handling Ltd	Loughton	081-502 3934
PFE International Ltd	Loughton	081-502 1011

ADDRESSING AND MAILING EQUIPMENT FOR COMPUTER OUTPUT

Addressing Systems International Ltd	Richmond	081-948 0241
Arie Tech Ltd	Alton	(0420) 542040
Bowe Systems (UK) Ltd	Maidenhead	(0628) 39141
Compaddress Ltd	Basingstoke	(0256) 29191
Divi (UK) Ltd	Warrington	(0925) 444415
Envopak Group Ltd	Sidcup	081-302 2500
Formflow (Equipment) Ltd	Shipley	(0274) 580944
GEM Computer Forms Equipment Ltd	Chorley	(0257) 271283
JL Computer Supplies Ltd	Bury	061-797 2646
Kemp Applications Sales Ltd	New Malden	081-942 2248
One Piece Mailer Ltd	Chorley	(0257) 241807
Pandex UK Ltd	Maidstone	(0622) 686585
Paper Handling Ltd	Loughton	081-502 3934
PFE International Ltd	Loughton	081-502 1011
Renaddress Ltd	Waltham Abbey	(0992) 712592



INPUT®
IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: June 29, 1994

To: Name: Suzanne Melchior
Tel./Location: 010-49-2203-305-0
Co.: Bull
Fax No: 010-49-2203-305-~~1467~~ 1818
From: Name: Peter Lines
Subject: Document Management Market

Page: 2 of 2.
File: Chron
Contact
Other:

Suzanne, I omitted the estimated 5 yr growth trend from the fax I sent you yesterday. These numbers are now included in the table below.

Document Management Market
$ millions 1994 / CAGR 1994-99%

Geography	DM Equipment	Services	Software Products
D	400 / 40%	40 / 5%	15 / 25%
CH	70 / 30%	5 / 5%	3 / 20%
A	25 / 30%	2 / 5%	1 / 20%
Europe	1850 / 35%	200 / 10%	75 / 20%

Regards
Peter Lines.

INPUT

CONFIDENTIAL—Property of INPUT

CONTACT REPORT

INPUT Staff: Init. PL Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____

Contact Date: 29/06/94 Date Written:

Company	BULL AG
Name	SUZANNE MELCHIOR
Title	
Address	
Phone:	(010) 49 - 2203 - 305-0
Fax:	( ) -

DISTRIBUTION: Action	Info.	By When	Prog./Proj. ID Describe Action-F/U

BULL D HAVE THE FOLLOWING DISTRIBUTION FOR THEIR DM SI PROJECTS

50% SERVICE 35% H/W 15% S/W LICENSE

ASSUMING S&W # IS ABOUT RIGHT → TOTAL MARKET AS $100 M IN D ∴

		%	
EQUIPMENT →	45	45%	35% ✓
SERVICES →	40	40%	50%
S/W PRODUCTS →	15	15%	15%
	100		

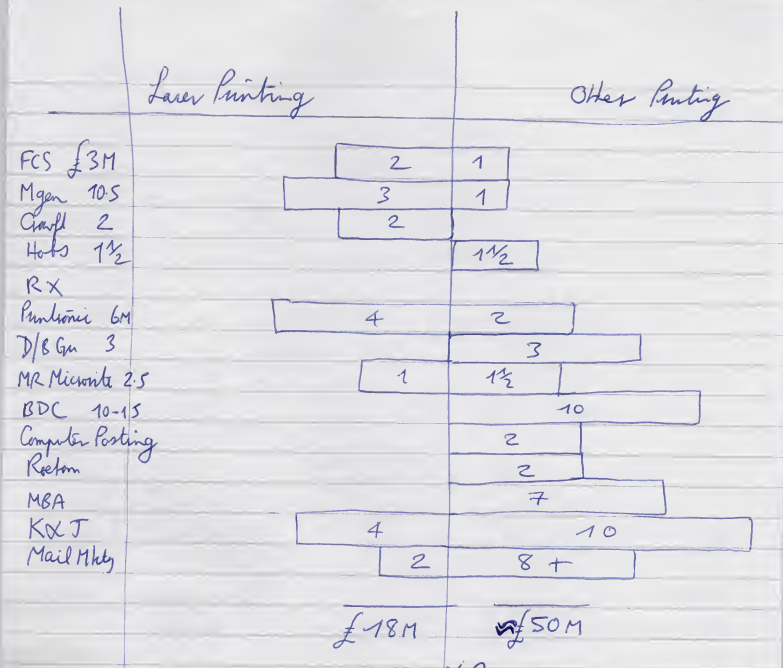
1) → WE ARE UNDERESTMATING SI PART

2) → H/W FIGURE WE HAVE $400M V 45 MUST INCLUDE MANY OTHER ELEMENTS BEYOND DM's.

☐ Continued over

M&S 300/01 6/92 (R)

ADM 341/01 12/93


Laser Printing
Other Printing
FCS £3M
Mgmt 10.5
Chargfl 2
Hols 1½
RX
Printonic 6M
D/B Gn 3
MR Micronta 2.5
BDC 10-15
Computer Posting
Reform
MBA
KXJ
Mail Mkty
2
1
3
1
2
1½
4
2
3
1
1½
10
2
2
7
4
10
2
8+
£18M
£50M
X3

MARKET MAP

LARGE SCALE LASER PRINTING.

low fig

GENERAL IN HOUSE PRINTING

(POTENTIAL £100 – 200M +/+ ANNUM)

£40M a b/volume ...

with £25% of .....

+ conventional expenses on top ...

SAY 10% IS BUSINESS CRITICAL

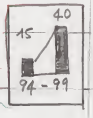
15% bespoke ...

paper printing will grow 5%/pa ... manifold ? market ... partner ... ait.

switch from scripts to internal

external communicate with customers ...

FM POTENTIAL £10-20M CAGR 20%+



customer focus

BUSINESS CRITICAL DOCUMENTS POTENTIAL

£5

15-20% IS LASER

connected

DIRECT MAIL PRINTING (JUNK)

250 → 300

£150M 94

CAGR 10-15%

AXIOM PRINTRONIC Centre-file

DESKTOP ENVIRONMENT

Micro GEN
Micro Write
FCS
PaperFlow
Rank Xerox

OF WHICH 20% IS OUTSOURCED ≡ £3M '94

(INSECURED)

high-grade ultra ash trimlam

CONVENTIONAL PRINTING - OFFSET etc

SECURITY PRINTING

PAYROLL BUSINESS
Centre Pay
ADP
CMG
UniPay

FDR

AMEX

INTERCEDE

What is Service Market - separate research

DOCUMENT MANAGEMENT

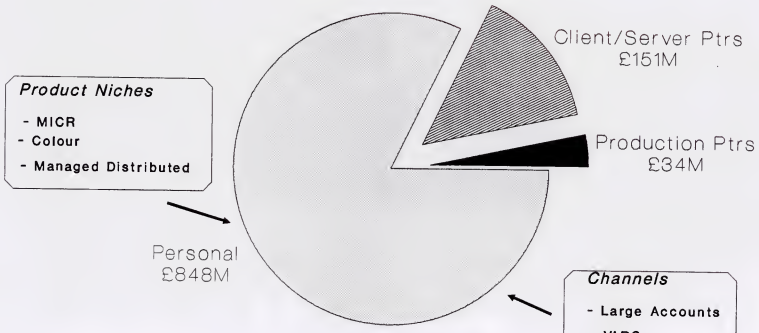
will become more fuzzy ...

How is report how this links to

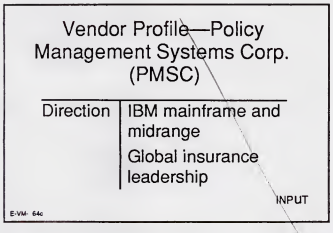
printing market size

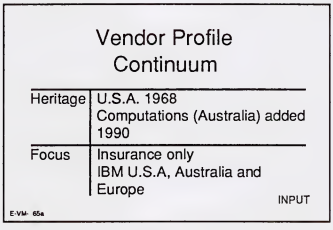
INDIGO / XEIKON / XEROX / creative.

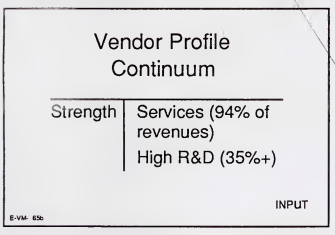
PERSONAL PRINTERS

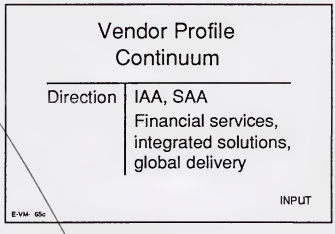


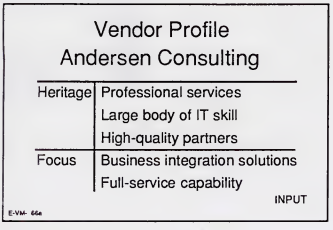
Total Printer Marketplace 1994

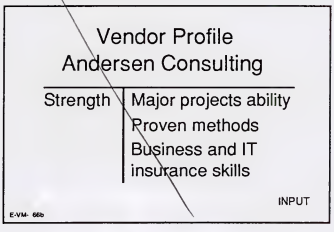

Vendor Profile—Policy Management Systems Corp. (PMSC)
Direction
IBM mainframe and midrange
Global insurance leadership
INPUT
E-VM- 64c


Vendor Profile Continuum
Heritage
U.S.A. 1968
Computations (Australia) added 1990
Focus
Insurance only
IBM U.S.A, Australia and Europe
INPUT
E-VM- 65a

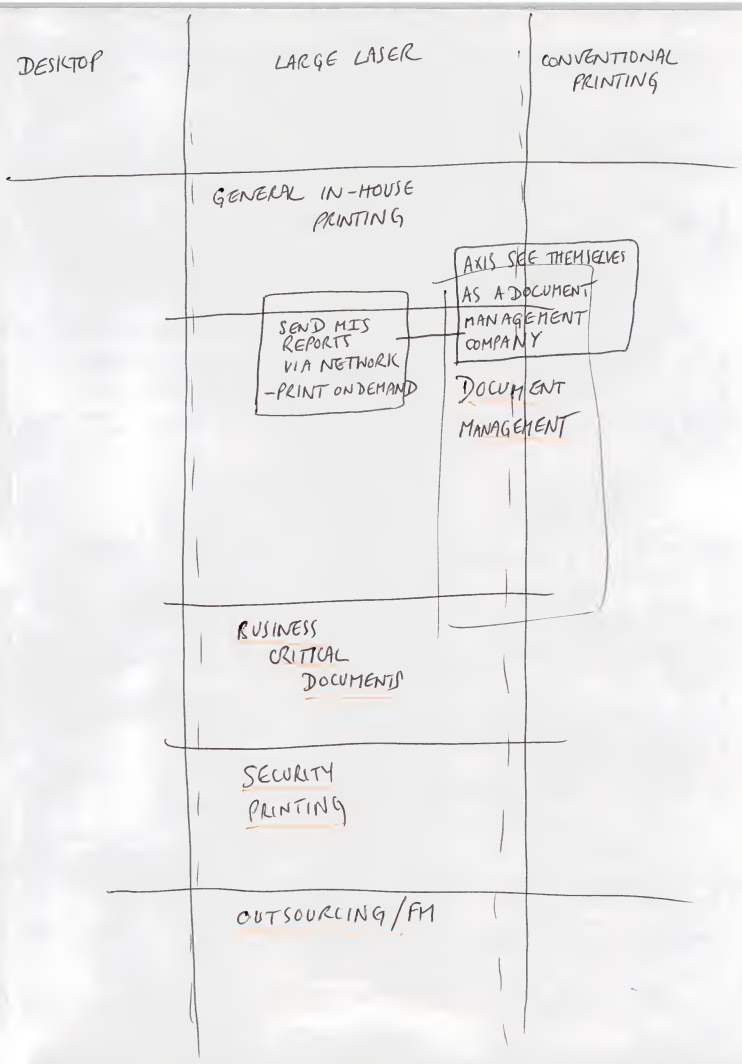

Vendor Profile Continuum
Strength
Services (94% of revenues)
High R&D (35%+)
INPUT
E-VM- 65b


Vendor Profile Continuum
Direction
IAA, SAA
Financial services, integrated solutions, global delivery
INPUT
E-VM- 65c


Vendor Profile Andersen Consulting
Heritage
Professional services
Large body of IT skill
High-quality partners
Focus
Business integration solutions
Full-service capability
INPUT
E-VM- 66a


Vendor Profile Andersen Consulting
Strength
Major projects ability
Proven methods
Business and IT insurance skills
INPUT
E-VM- 66b

6/14/91


DESKTOP
LARGE LASER
CONVENTIONAL PRINTING
GENERAL IN-HOUSE PRINTING
AXIS SEE THEMSELVES AS A DOCUMENT MANAGEMENT COMPANY
SEND MIS REPORTS VIA NETWORK -PRINT ON DEMAND
DOCUMENT MANAGEMENT
BUSINESS CRITICAL DOCUMENTS
SECURITY PRINTING
OUTSOURCING/FM

OTHER CONTACTS

PROCESSING SERVICES.

Centre-file
AXIS
Sema
Hoskyns

OUTSOURCING.

ITNet

XEROX.

MICROGEN
MICROWRITE
FCS (BIRMINGHAM)

C

PRINTER MANUFACTURERS :

INDIGO
XEIKON
PERFECTA PRICE
XEROX

Vendor Profile
CAP Gemini Sogeti

Direction	International insurance sector "Responsibility" contracts

INPUT

E-VM- 62c

Vendor Profile
Paxus

Heritage	Leading quoted Australian IS vendor, founded 1970 IBM 15% stake
Focus	Insurance, banking, accountancy and health care Australasia, Europe, Canada

INPUT

E-VM- 63a

Vendor Profile
Paxus

Strength	Product portfolio Diversity of products, countries and industry sectors

INPUT

E-VM- 63b

Vendor Profile
Paxus

Direction	Non-U.S. market leadership Acquisitive and organic growth

INPUT

E-VM- 63c

Vendor Profile—Policy Management Systems Corp. (PMSC)

Heritage	U.S.A. 1974, industry leader Over 80 products and services IBM 20% stake
Focus	Integrated insurance systems Property and casualty (91%)

INPUT

E-VM- 64a

Vendor Profile—Policy Management Systems Corp. (PMSC)

Strength	Co-development of IAA with IBM in Bruxelles Over 5,300 clients—mainly in U.S.A.

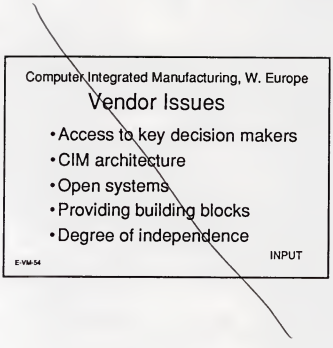
INPUT

E-VM- 64b

USERS

BRITISH AIRWAYS — EXECUTIVE CLUB
AIRMILES

COUNCIL TAX (AXIS ? — HERTS ? / ESSEX ?)


Computer Integrated Manufacturing, W. Europe
Vendor Issues
• Access to key decision makers
• CIM architecture
• Open systems
• Providing building blocks
• Degree of independence
INPUT
E-VM-54

10/6/91

MARKET SIZE (VQ4)

FCS MASSIVE + GROWING STEADILY (£3M)
MICROGEN HUGE (£B's) GROWING +30%+/YR (£4M)
CRAWFORDS £30-40M @ 10%+ (£2M).
HOSKYNS –
AXIS –
HOBS DIRECT MAIL #'s
R X +5%
PRINTRONIC (DM · 5 B PIECES/YR) 6-8%/YR (£6M).
THE D/B GROUP DM GROWTH 15%/YR (£3M)
∠ IS 15-20% OF SPEND ON DM IN TOTAL
MR MICRORITE £10B (£2.5M)

Centre-file DM £800M/YR 15-20% PRINT

BDC UP TO £1B 20% PA (£10-15M.)

Computer Posting 10% PA (£2M)

Rivetarn Ltd (£2M)

MBA DM UP TO £1B 15%PA £7M.

K & J £100M £30M.

Mail Mktg £13M.

Edo Tech

12 FIRMS ≈ £90M EXCLUDING EDO TECH

VENDOR Q4.

#1 Vail

#2 Maybe > £1B Growth 20% pa. (DM bias)

#

INPUT IT Intelligence Services

17 Hill Street
London W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

03. 11. 94

Ross Clarkson
BCO
Granite House
97-101, Cannon Street
London
EC4N 5AD

Dear Ross,

I have finally got to the point of sending you the report. I have actually ended up putting more into the report than originally intended for last week - so I hope this justifies a few extra days delay.

Clearly I can still make changes, particularly if you want any messages particularly strengthened for wider circulation within the Group.

Talk to you soon.

Regards

Peter Lines.

P.S I also enclose invoice as requested.

INPUT LTD.
Registered in England No.: 1470416.
Registered Office: Rolls House,
7 Rolls Building, Fetter Lane
London EC4A 1NH.
VAT Registration No.: GB 340 3422 04

FRANKFURT
LONDON
NEW YORK
PARIS
SAN FRANCISCO
TOKYO
WASHINGTON D.C.

Print Outsource Vendors

30-Aug-94

Name	Contact Made	Appointment Fixed	Interview Complete	Report Complete	Contact Name 1	Telephone Number	Contact Name 2	Telephone Number
Axis Resources	1	1	1	1 (1)	John Hazledon	0279 822027		
BDC Printing - Lasermail	1	1	1	1 (2)	Seline Dolan	0332 347123		
CCN	1	1			Chris Savage/Jim Hodg	0602863864/538247	Sharon Jolly	
Centrefile	1	1	1	1 (3)	David Worsfold	071 410 3422	Geoff Downer	071 410 3135
CFM	1	1	Ltr etc	eff 3/3 1-00	Malcolm Miller	0925 236600	Sarah Middleton	0628 488888
Computer Posting Group	1	1	1	1 (4)	Graham Sandford	081 648 4873		
Copechat Direct	1	1			David Blackwell	0453 764401		
Crawfords Computing	1	1	1	1 (5)	Brian Gormley	051 259 6129		
Database Group	1	1	1	1 (6)	Mike Wass	0272 291571	Shane Baylis	
EDOTECH (Barclays/IBM)	1	1	1	1 (7)	David Martin Bus Supp	0452 617011		
FCS	1	1	1	1 (8)	James Kirby	021 328 3858		
FDR First Data Resources	1	1 Mail			Barry Brown Client Svc	0273 555226		
GWC (DMS)	1	1			Geraldine Davey Mktg	0793 542642		
Hobs Direct Mail	1	1	1	1 (9)	Neil Pike Chairman	0536 416002		
Hoskyns	1	1	1	1 (10)	John Harris	071 434 8622		
IFM (Hefax)								
Kenrick & Jefferson	1	1	1	1 (11)	Steve Adams Comm Di	021 553 1001	L M Borwick MD	021 553 1001
Mail Marketing	1	1	1	1 (12)	Brian Potter	0272 666900		
MBA	1	1	1	1 (13)	Ian Page	081 365 1888		
Microgen	1	1	1	1 (14)	Dave Herridge	0794 513789		
MR Microrite	1	1	1	1 (15)	Dave Whitnell	071 251 2003		
Printronic International	1	1	1	1 (16)	Diana Lucas	081 946 7537		
Ralton	1				Colin Richards Mktg	0793 726000	Ian Munro MD	0793 72600
Rank Xerox	1	1	1	1 (17)	Mike Braggins/Mark Wa	0895 251133 x3489	Malcolm Wells	0895 251133
Roetarn	1	1	1	1 (18)	Phil Conacher	0272 724400		
RR Donelley	1				Brian Barnet Mktg	0274 370720		
Sema Group	1				Amanda Carson	021 627 5500		
Total	26	22	18	18				

Meeting with Nick Marsden IBM Bedford Lakes 07.09.94

- One of the basic tenets behind the business idea is that print-outsourcing should be more readily done than processing since it is always going to be labour intensive - always a battle ~ <lights out is OK>> but paper is going to be problem ---------
- Emphasise the Business Service aspect of laser printing outsourcing ....
- Using Barclays / IBM ~ the safety factor / image aspects as they appeal or not to potential clients...
- The EDOTECH interest in security printing stemmed from a joint IBM/BCO solution to a particular problem - maybe today a Δ technological solution might be found - therefore there is an element of it being a solution looking for a problem.
- Anti-outsourcing arguments (in relation to the use of BCO/IBM as a competitor) are more vehement the lower down the organisation you go.
- Sorbus etc. probably don't have (or want to have) the skills necessary to get into this area?
- See market size diagrams notes in red.

£100M
5-15 CAGR%

A. THE MARKET OPPORTUNITY

invoicing process – generic

acquire someone

email – need to offer – agency level....

happy to be subcontractor...

B. MARKET POSITIONING

approaching US company...

ACXIOM – manager

2 key areas

PERCEIVED ONE-STOP SHOP

FINISHING

POSTAL REBATE

{ORIGAMI}!

UNKNOWN IN MARKET / UNHEARD OF

MARKET IS TIED-UP / EDOTECH IS

LONG ESTABLISHED

PERSONA

NICHE APPROACH LASER PRINTER

DIFFICULT SALE – MR MICROWRITE

LEARNT

CHASE MANHATTAN.

C. BUYING PROCESS + MARKETING CHANNELS

RELUCTANTLY DELEGATED

GOT TO BE CREDIBLE AT «SOUP TO

JOURNALS ADVERTISING

«GET QUOTES FROM 3»

THEN PICK B

BUYING CRITERIA

1-5

MUST HAVE SALESFORCE – THAT CAN UNDERSTA

ACT. MANAGER – NEED

TALK CREDIBLY

RELATIONSHIP MKTING DETERMINES OWN SALESFORCE.

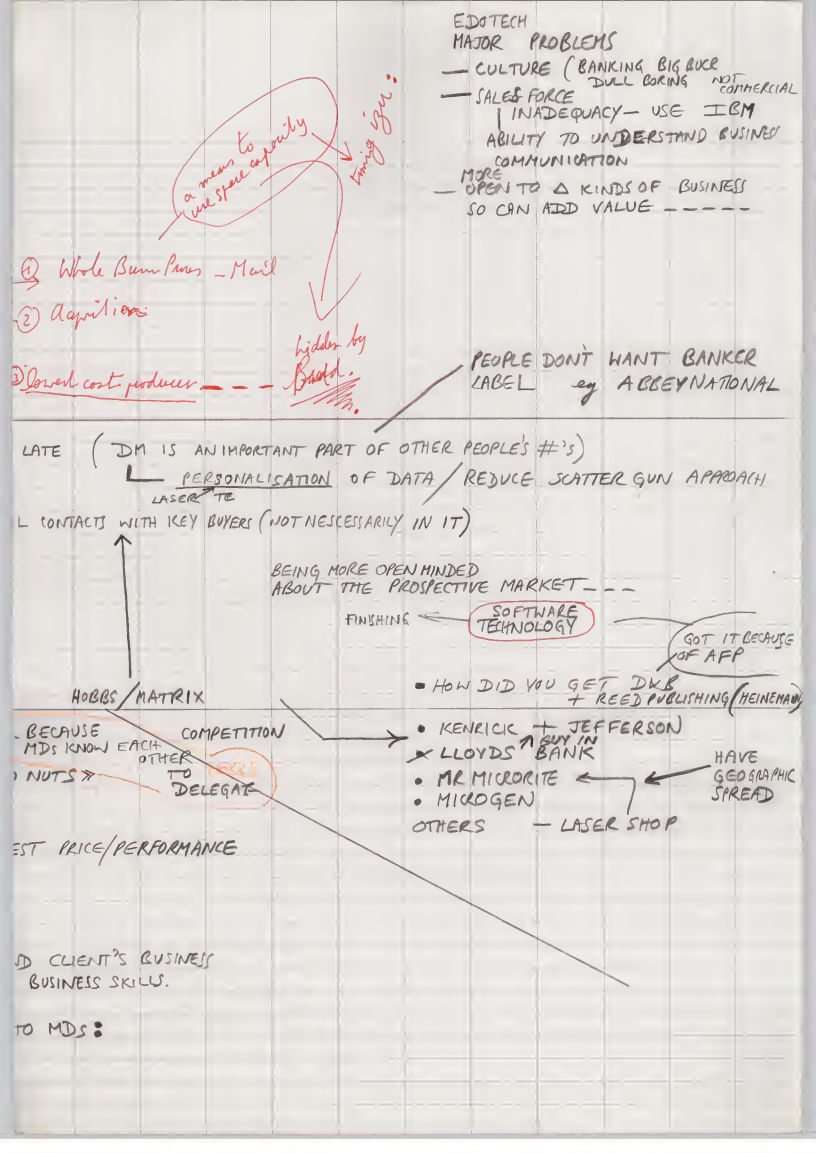
COMPUTING POSTING SHOW

CASCADE EFFECT

Δ SALES ACTIVITIES

2 Δ LEVELS.

FMCG – HEINZ £20M → BELOW THE LINE


EDOTECH
MAJOR PROBLEMS
— CULTURE (BANKING BIG BUCK DULL BORING NOT COMMERCIAL
— SALES FORCE
INADEQUACY — USE IBM
ABILITY TO UNDERSTAND BUSINES
COMMUNICATION
MORE OPEN TO Δ KINDS OF BUSINESS
SO CAN ADD VALUE
a means to increase capacity
bringing you:
1. Whole Business Mail
2. Acquisitions
3. Lowest cost producers
bidder by Bristol.
PEOPLE DONT WANT BANKER LABEL eg ABBEY NATIONAL
LATE (DM IS AN IMPORTANT PART OF OTHER PEOPLE'S #'s)
PERSONALISATION OF DATA / REDUCE SCATTER GUN APPROACH
LASER TE
L CONTACTS WITH KEY BUYERS (NOT NESCESSARILY IN IT)
BEING MORE OPEN MINDED ABOUT THE PROSPECTIVE MARKET
FINISHING
SOFTWARE TECHNOLOGY
GOT IT BECAUSE OF AFP
HOBBS / MATRIX
HOW DID YOU GET DKB + REED PUBLISHING (HEINEMAN)
BECAUSE MDs KNOW EACH OTHER
COMPETITION
TO DELEGATE
NUTS
KENRICK + JEFFERSON
LLOYDS
GUY IN BANK
MR MICRORITE
MICROGEN
OTHERS — LASER SHOP
HAVE GEOGRAPHIC SPREAD
EST PRICE/PERFORMANCE
D CLIENT'S BUSINESS
BUSINESS SKILLS.
TO MDs:

To **Peter Lines.**

LASER OUTSOURCING ADDITIONAL SURVEYS

These took longer to carry out and required many more tries to get very large users, that would respond to the questionnaire.

All responses are from the Main frame laser print operations, and do not include any desk top or other type of print operations, although many of the contacts also had a high level of IMPACT printing also.

Not one stated that they were actively planning to use outside companies to conduct any form of printing, in fact the majority were against this policy, again mostly because of the nature, type or sensitivity of the information being printed. All thought that their print operations were highly critical to both their operations and business in general.

Regards

Roger Folkes

1-2-1 Enterprises. 29/0

10-09-94

Subject: **Print Outsourcing survey.**

To **Peter Lines. European MD**

I would make the following points in respect to this short survey.

Attitudes taken in respect to the questionnaire's subject, was not good, I feel that this is due to the fact that the IT or Services managers know very little about the actual print operations within their companies or organizations.

- ☐ They do not know the actual printers used
  the volumes
  the types of documents

(When others in their organizations were questioned by them or myself, actual quantities were only approximated.)

- ☐ None would state that they were the contacts for any outsourcing arrangements, etc,all gave evasive answers.

- ☐ All corrected or added criticality of printed matter when questioned on it.

General comments:

All the large companies surveyed have an expanding Lazer printer base, mostly of the desk top type, a few are changing their main print operations from 'Line Printers' to smaller 'Lazer types' with better quality and faster throughput

The majority are introducing or have started to use Electronic distribution, Imaging, and all said that they are using E-mail to reduce the volume of paper.
The majority with large customer / consumer bases contacts use external organisations to cope with peak monthly demands and the none critical information type documents.

None had any interest in additional print outsourcing or additional services at this time.

I had a 34% objection to the survey(ie NO), 12% were rejected because they stated that there Lazer paper usage was low, 6% gave up on the interview! and 14% fell out. due repeated recontacting limiting.

RVF.121E

No-one managing printing
– no real control .....
no management

Call later this week .....

AROMASCAN, MAKING £12m LONDON PLACING, HOPES TO COME OUT SMELLING OF ROSES

It's time to run for cover from a hail of "shares are not to be sniffed at," "olfactory of the future," "nose for a bargain" puns: AromaScan Plc is coming to the London market with a placing to raise about £12m to help it build on what it claims is its competitive lead in making machinery to measure and record smells in digital format. **Computergram** seldom gets to be alerted to new issues ahead of time, but fortunately, **Reuters** reporter Stephen Brown was on hand to collect the details on Friday. N M Rothschild is sponsoring the issue and the brokers are Peel, Hunt & Co. All existing shareholders have undertaken not to sell any ordinary shares for two years after the placing. The company says the placing will give it the resources to make and support instruments needed by prospective customers in the food, beverage, toiletries and perfume industries - and anywhere else where aroma needs to be assessed - its technology has been used to find taints in fish, test deodorants, detect infections and monitor the environment inside spacecraft. Although Warwick University is a major UK olfactory repository, AromaScan is a spin-off from the University of Manchester Institute of Science & Technology. The company expects to make make a pre-tax profit of £4m in 1997 on projected sales of around £18m. AromaScan says it "conservatively" estimates the annual worldwide market for its machine at 8,650 units, representing annual sales of £215m; it currently has 25 units - at £25,000 a time - in use in various industries. The company believes it has a two- to three-year lead over potential competitors and will continue to refine its electronic nose to provide more sensitive analyses of the volatile chemicals that constitute smell - it currently has about the smelling power of a human (female we hope, because a woman's sense of smell is said to be 1,000 times more sensitive than a man's) but in future the company hopes to produce one with the powers of smell of a dog, opening up new market opportunities such as detecting drugs or explosives at airports. The basis of the AromaScan machine is a range of polymers which, like sensors in the human nose, trap smell molecules. This alters the polymers' ability to conduct electricity and the change in signal is then analysed to provide an electronic signature for each smell. Pricing of the shares will be announced on July 26 with dealings due to start on August 3. The market capitalisation is expected to be between £35m and £40m.

PRESTWICK RIGHTS ISSUE TO RAISE £4.8m

Prestwick Holdings Plc, the Scottish printed circuit boards manufacturer is raising £4.8m with an underwritten four-for-five rights issue at 24 pence a share against a price in the market of 27 pence, and is selling its loss-making Electroconnect subsidiary to management for £1.65m. The moves form part of a refinancing package that should eliminate debt and are aimed at providing a foundation from which the core businesses can be developed. Prestwick forecasts a loss of no more than £1.3m for the year to end-July; it says it has made significant progress and is now trading profitably. it says its financial position has been severely weakened by the losses of the last 18 months but has good core businesses, an able management team and is operating in markets enjoying strong growth.

FIGURES LOOK WAN, BUT MICROGEN SAYS THINGS ARE GETTING MUCH BETTER

Commenting on its less than sparkling figures (see below) Microgen Holdings Plc reports that its German and Nordic companies have enjoyed a buoyant first half, increasing both revenues and profits. The bulk of the growth has come from the new services based on electronic printing but the core business of Computer Output Microfilm has also held up well. In the UK, it says, Microfilm volumes have increased significantly as several large facilities managemnt contracts came on stream in the period - but competition is tough enough that revenues from the business fell slightly and costs are being cut. The company says its Demand Publishing business in the UK is growing steadily but is not yet at break-even, and Critical Document Service revenues are double those of the same period last year; the high fixed costs of marketing and producing this service require further increases in revenues before there will be a significant contribution. As well as the acquisition from Clydesdale Bank, reported earlier, Microgen in April completed a joint venture with An Post, the Irish post office, to establish Printpost Ltd to promote the Critical Document Service in Ireland. And in May Microgen's Eurocom Depora subsidiary in Germany bought Infokom GmbH, its principal competitor in the Frankfurt and Dusseldorf areas - for one Mark plus assumption of bank debts of £875,000. The net liabilities acquired were about £400,000; Microgen says Infokom has not been profitable for at least the last two years but it has recurring Computer Output Microfilm revenues of £1.6m a year.

Share & Bond Issues

Attachmate Corp, Bellevue, Washington is another victim of deteriorating market for new issues: the micro-to-mainframe communications software developer is deferring indefinitely its planned initial public offering of 6.3m shares because of the adverse market conditions. Attachmate had been hoping to raise between $88m and $101m in the offer.

US Robotics Inc, Skokie, Illinois modem maker, has raised $60m in a private placing of unsecured senior notes paying 7.52%. The notes are repayable in five equal annual installments beginning June 1998. Investors in the notes are Metropolitan Life Insurance Co, Northwestern Mutual Life Insurance Co and Metropolitan Property and Casualty Insurance Co.

Other Financings

VLSI Technology Inc, San Jose secured a $52.5m line of credit with a group of banks led by Continental Bank Corp's Continental Bank of Chicago. Participants are are Chemical Banking Corp's Chemical Bank, Comerica Inc's Comerica Bank, and the Bank of California. The facility is structured as a revolving line of credit and letter of credit facility - to be used for advances to provide working capital.

Company Results

Microgen Holdings Plc has reported net profits for the six months to April 30 down 8.9% at £2.2m on turnover up 11.2% at £29.1m; pre-tax profits fell 8.4% to £3.4m; earnings per share fell 10% to 5.7p.

P&P Plc saw net profits for the six months to May 31 up 54.5% at £1.7m on sales down 2.3% to £118.5m. At the pre-tax level, profits were up 35% at £2.7m. Earnings per share rose 43% to 3.0 pence.

Friday July 15 1994

COMPUTERGRAM INTERNATIONAL

Issue Number 2,458

BCO

PHILIPS ANNOUNCES $5.25m SOFTWARE EXPANSION IN EIRE

Philips Electronics NV is expanding in Ireland, agreeing terms with the Industrial Development Authority to set up a second silicon and software design centre in Dublin. Capital investment will be some $5.25m in total. The centre will be near Philips' existing operation set up in 1986, and will focus on work for the multimedia, communications and digital television sectors, mainly for US customers. The existing centre designs integrated circuits and software for Philips telephone systems and compact disk players, and has also done design work for other European and US companies.

US WEST "TO ACQUIRE $1,200m OF ATLANTA CABLE SYSTEMS"

US West Inc is close to agreement to buy several Atlanta-area cable television systems from investor Robert Bass and his partners for $1,200m to $1,300m, **USA Today** reported. US West will be paying an estimated $2,600 to $3,000 per household for the cable operations of Wometco and Georgia Cable Television, it believes - a high price given that recent deals have valued cable systems at $1,700 to $2,400 per household, the paper said. US West already owns a 25% stake in the entertainment division of Time Warner Inc, the company's partner in providing interactive services to Time Warner customers living in US West's service region. Robert M Bass Group holds a majority stake in the cable firms, Prime Cable and Merson Lehman are part owners.

NEXTEL COMMUNICATIONS TO ACQUIRE ONECOMM CORP

In a further specialised mobile radio consolidation, Rutherford, New Jersey-based Nextel Communications Inc is to acquire OneComm Corp, Denver in a deal valued at over $650m. Nextel will issue about 22.4m new shares to OneComm holders in exchange for about 21.0m shares. On consummation, Nextel will be authorised to provide service to more than 210m Americans, including 47 of the top 50 markets in the US; Nextel backers MCI Communications Corp and Comcast Corp have both approved its merger with OneComm.

MICROSOFT TO PRICE CHICAGO AT $100 - GATES

Microsoft Corp chairman Bill Gates said in Toronto yesterday that the Chicago upgrade for Windows will sell for $100. Separately, Santa Clara-based DSP Group Inc and Microsoft said that DSP's TrueSpeech compression technology for digitised speech is going into Chicago.

Minigrams

Aldus Corp has reached a settlement of its disagreement with **Altsys Corp** over rights to Aldus FreeHand, which means that the acquisition of Aldus by **Adobe Systems Inc** can go ahead: under the new agreement, on termination of the licence agreement with Altsys, in July 1995, Aldus will transfer some assets relating to Aldus FreeHand to Altsys, including all of its interests in the FreeHand name and documentation, foreign translations and access to the FreeHand user mailing list; Adobe will also now pay one Adobe share for each Aldus held, where it had planned to pay 1.15 for one.

- o -

Cowen & Co analyst Stephen Weber reiterated a buy recommendation on **IBM Corp** saying he expects second quarter earnings to come in above consensus guesses of $0.80 a share: he says cash flow is very powerful and there is a possibility that IBM will raise its quarterly dividend; he also sees the possibility of a share buyback next year or in 1996.

- o -

Digital Equipment Corp's announcement that it will take a $1,200m restructuring charge in the fourth quarter and simplify its management structure drew a lukewarm response from Wall Street analysts, **Reuter** reports: "Any restructuring is better than no restucturing, but the key to turning around this company is to get customers to buy from Digital and we'll have to hear from Palmer today why they should do that" said David Wu of S G Warburg.

- o -

The German banking, computer and telecommunications industries have agreed on a standard for Smart Cards to enable customers to pay for a variety of services with just one banking card, and **Deutsche Bundespost Telekom** said that by the end of 1999 50m bank cards and Eurocheque cards will include an encapsulated multifunction chip instead of the magnetic stripe; the German Smart Card was developed by Telekom, **IBM Deutschland GmbH** and GAD Gesellschaft für automatische Datenverarbeitung eG, **Reuter** noted.

- o -

Crawling out of the woodwork again, **QVC Inc** shareholders filed two class action lawsuits in Delaware Chancery Court against the company and its directors, alleging that the directors breached their fiduciary duties "in connection with proposed corporation business transaction", which was not identified, so it's not clear whether it's the **CBS Inc** deal that failed or the planned **Comcast Corp** deal at issue.

Shares in specialist printer De La **Rue Plc** were up 21 pence to 950p in mid-morning yesterday on talk that the company was about to announce it had won the contract for security printing of US dollar bank notes, dealers told **Reuter**: the US Federal Reserve is planning to take the notes super-high-tech from 1996 in an attempt to frustrate all the modern colour copying technology.

- o -

UK **National Heritage** Secretary Peter Brooke said yesterday that it was possible that all television signals could be transmitted digitally 15 years after digital transmission is introduced in the UK: he gave the go-ahead for the introduction of as many as 12 digital services as well as the fifth analogue terrestrial television service.

- o -

Tempe, Arizona-based distributor **MicroAge Inc** warns that earnings for its fiscal third quarter to July 31 are expected to be $0.22 to $0.27 compared with current analysts' estimates of $0.37 to $0.42: it blames a margin decrease primarily caused by recent general market pricing pressures and actions taken to cut inventory levels to include the sale of some products at lower margins and accelerating inventory returns to vendors.

- o -

Fort Lauderdale, Florida-based **Encore Computer Corp** expects to break even or see a modest profit in the third quarter, bolstered by $50m in order backlogs for its new Infinity/90, chairman and chief executive Ken Fisher told **Dow Jones & Co**: it will report a larger-than-expected loss in the second quarter to June 30 because it didn't reach projected sales; Fisher said the company's sales were stronger than the year ago period, and in 1995, Encore's revenues are expected to jump to roughly $350m - more than twice that projected for 1994, he said.

- o -

Cray Research Inc says it expects strong growth in sales of supercomputers to Japanese financial institutions for real-time analysis of derivatives trading and other uses, chairman John Carlson said; despite some progress, Japanese procurement was still closed off to foreigners, he said, adding that while Japanese government procurement procedures have improved, more modifications were needed; government institutions still have little say about how their budgets are used, he said; Cray has just sold two systems to financial institutions in Japan for analysing bond and equity derivatives, but he could not name them.

- o -

The Japanese find English expressions very useful for things that do not readily translate into the local language, but the Japanese version is not exactly instantly recognisable: in Tokyo they call a dedicated word processor a wa-puro.

Five Years Ago...

On July 14 1989, **Computergram Number 1,219 reported that** Autodesk **diversified with MS-DOS animation program * * * McCaw won** Lin **for $127 a share * * * AT&T's 22% stake in** Olivetti **was seen triggering a Euro-computer realignment * * * Unisys would merge CTOS, BTOS in Posix release.**

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Kleinwort European raises £234m

By Scheherazade Daneshkhu

Kleinwort European Privatisation Investment Trust has raised more than £234m in the second call on its shares despite widespread fears that private investors, who have incurred losses since the launch, might not subscribe.

The figure is about 94 per cent of the amount payable through the final instalment on the trust's ordinary shares.

The second 50p instalment was due on August 1 but Kleinwort will continue to accept late payment for "a limited period," the length of which it has not yet stipulated. Reminders will be sent out on Tuesday to those of its the 85,000 investors who have not responded.

The trust, which raised £500m when it was launched in February, was oversubscribed by a record £380m. The shares closed at 81½p yesterday, up 1¾p, compared with a net asset value of 94.1p. The warrants closed at 30.5p.

Taken together, those who hold the package of shares and warrants have seen a fall of about 12.4 per cent from the original price. The trust has underperformed the FT-A Europe Index by 15 per cent.

The trust, which had traded at a premium, is now trading at a small discount. Mr Simon White, director, attributed this to weak markets since launch and to the trust's "less stable" shareholder base, in a reference to those who bought shares in the hope of making a quick gain. "You only need a small number of sellers wanting to stag profits for the discount to widen," he said.

RBS buys NatWest's share registrar

05.08.94

By Norma Cohen, Investments Correspondent

Royal Bank of Scotland is buying the share registration business of National Westminster Bank in a move which will make it the UK's second largest registrar with 25 per cent of the total market.

The purchase comes as UK share registrars face requirements for significant investments in technology in order to meet the requirements of Crest, the Bank of England-sponsored system for paperless share settlements.

Share registrars have shouldered a large portion of the blame for the failure of the Taurus paperless share settlement system in March 1993 and the Bank of England is insisting on tough performance criteria for registrars in Crest.

It has proposed fines for registrars who do not swiftly handle client transactions.

Yesterday, NatWest insisted that the decision to sell the registrar business, which registers the shares of 430 companies for 6.3m shareholders, was "not at all connected with the requirements of Crest".

The share registration business was not earning the desired return on capital, it said.

In a statement, Mr Derek Wanless, NatWest's chief executive, said: "Following an in-depth review we have concluded that while NatWest Registrars is producing profits it does not fit with our strategic objective."

The value of the transaction was not disclosed but the book value of the assets sold is £3.89m.

NatWest employs about 550 staff in its share registration business while Royal Bank employs about 330. Royal Bank said it did not expect to make any redundancies when the two operations were merged.

NEWS DIGEST

Abbey moves up to £8m

Abbey, the housebuilder in Ireland and the UK, saw a substantial rise in pre-tax profit from £2.65m to £8.14m (£8.08m) for the year to April 30.

Turnover increased 22 per cent from £38.8m to £47.2m, benefiting from strong market conditions in the south-east of England.

The company said sales were expected from its Monkstown development in the first half of the current year. It has also £3.5m with an initial yield of 9.1 per cent.

Earnings per share were 14.52p (4.06p), and a final dividend of 3p brings the total for the year to 5p (2p).

Westport tumbles to £448,000 deficit

Losses of £448,000 pre-tax were announced by Westport Group, the USM-quoted exhibition, photographic services and marketing specialist, for the year to April 30. Last time there were profits of £8,000.

There were operating losses from continuing activities of £187,000 (£21,000 profits) on turnover of £14.3m (£15m).

Mr [illegible] Kaasy, [illegible] conditions, and he expected those companies to continue to do well in 1994-95.

However, organic growth had been held back by losses in Fox Display and Studios, he said.

Losses per share emerged at 0.4p (0.1p earnings).

Anglo & Overseas net assets at 472.8p

Anglo & Overseas Trust had at net asset value of 472.8p per share at June 30, down from 506.6p at the December year end. The value at end-June 1993 was 427.1p.

The Morgan Grenfell-managed trust reported net revenue [illegible] from earnings of 3.28p (3.75p) per share.

Emerging Markets Trust seeks £24m

The Emerging Markets Country Investment Trust aims to raise £24m in a conversion share issue. The placing, made on August 1, closes on or before September 6.

City of London, the investment manager, said the placing was aimed at clients of professional investors and institutional investors.

Expenses of the issue will be capped at 3.75 per cent.

Trading in shares of the investment trust [illegible]

Monarch makes Argentinian gold investment

By Kenneth Gooding, Mining Correspondent

Monarch Resources, the UK-listed company with gold mining and exploration operations in Venezuela, has signed its first deal outside that country.

It will pay $275,000 (£177,000) to earn 51 per cent of the Gualilan gold properties in the San Juan province of Argentina. Subject to due diligence, Monarch must complete $2m of work on the properties over four years to earn its interest.

It will also take over a purchase option agreement amounting to $420,000 which lasts until October 1996, but this may be credited against Monarch's annual work commitment obligations.

It is also entering into a $1m purchase option agreement.

Main.

The bank raised its int dividend by 12 per cent to (4.1p). Earnings per share by only 5.3 per cent to (13.3p) due to dilution from

BTP in ag German ac

BTP, the speciality chemi group, has conditiona agreed to acquire A Industrieklebstoffe, a Germ adhesives business, DM30.6m (£12.6m) cash.

Mydrin, BTP's subsidia has entered into the agreeme with Scheidemandel, a subsi ary of Deutsche Gelatine.

Some DM15.5m of the p chase price is to be paid completion, which is expect to be on August 31.

The remainder is due in fo

Restructured reduces defic

GM Firth (Holdings), th Wakefield-based engineerin company, yesterday announce reduced pre-tax losses £1.98m for the year to Marc 31, down from £5.99m prev ously.

This year's result was afte charging exceptional items an provisions totalling £872,00 The largest item was £530,0 for potential costs in respect a leased property formerl occupied by a discontinue activity.

DIVIDENDS ANNOUN

		Current payment
Abbey	fin	13
Allied Irish	int	4.6
Anglo & Overseas	int	1.75
Crest Packaging	fin	2.75
Finsbury Smaller	int	1.21
Glynwed Intl	int	4.15
Kleinwort Benson	int	6.75
Rotork		6.

Wiener on IBM

How to lose share steadily in the printer market: pretend that you still own it

IBM Corp's mainframe printers may produce mountains of output for banks, utility companies and manufacturers. But their importance to users of large computers is dwarfed by the rest of the printer market. IBM's printer business will probably generate a billion dollars in sales worldwide this year. Hewlett-Packard Co, the largest of the many vendors serving the low end of the non-impact printer market, will sell $6,000m in printers this year, according to Wall Street experts, and about half this money will be for laser printers, the rest a mix of colour printers and inkjet printers. The total world market in non-impact printers, including Xerox Corp, NEC Corp, Siemens AG, Hitachi Ltd and lots of other vendors, almost certainly exceeds $10,000m a year and on top of that there is a maintenance business of comparable size plus a huge market in toner and other consumables. By our reckoning, then, IBM has approximately 10% of the markets for printer sales, service and supplies. Despite this modest market share, IBM acts as if it had five times that much clout. As a result, users of IBM mainframes (and AS/400s too) live in a world of 240 by 240 or 480 by 480 dot printing, a unique printer command language and a suite of programming conventions that are very tightly bound to the past. Just about every other kind of computer, the ones that account for 90% of the printer market, lives in a 300 by 300 or 600 by 600 world and sends messages to printers in PostScript or HP-PCL. Hewlett's small and mid-range laser printers speak PCL, of course, and they all offer PostScript fluency as an option. They do not speak IBM's AFP language. Hewlett would prefer an all-PCL world, of course, but it has bent to the will of its customers and in return they have helped it prosper. That is one reason Hewlett is the market volume leader, while IBM failed so miserably in low-end printers that it sold that business. All the desktop systems used to design documents talk to their local printers using one of the popular schemes; none use IBM's methods.

No good reason

Even when desktop systems use IBM software for document design, software aimed at creating documents that will ultimately pour out of IBM mainframes, the draft copies of the documents are almost invariably created using a PostScript or PCL printer. There is no good reason why IBM has failed to enhance its big printers so they can speak PostScript or PCL. The company is just plain stubborn. IBM's printers could easily provide the slightly higher resolutions favoured by the rest of the world. IBM should have no difficulty whatsoever supporting PostScript or PCL directly while maintaining compatibility with its old standards. All IBM has to do is listen to the market, which has voted for new standards with 90% of its budget funds. We expect that there would be a rush of buyers the moment IBM finally offers optional PostScript or PCL features on its heavy duty page printers. There would be indirect benefits, too. Accepting the popular printer standards would help IBM in its effort to persuade large enterprises that mainframes are the corporate servers of the future. IBM might even be able to market its big printers to users of large Unix systems, something it cannot do very well now. Who knows? IBM might even become successful enough in the printer business to once again choose the rules.

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IBM's personal computers are in the doldrums after 1993's dead-cat bounce

IBM Corp's situation in personal computers looks more precarious than it has in a while. During 1993, IBM rebounded after a serious fall, increasing its sales by adding numerous AT-architecture machines to its product line, reducing prices and increasing its emphasis on retail distribution channels. This year, IBM tried the same tactics but was outmanoeuvred by Compaq Computer Corp, Apple Computer Inc and, in the United States, a formerly small company called Packard Bell Electronics Inc. Who is Packard Bell? Nobody except a computer vendor with strictly retail sales that has shipments exceeding IBM's retail plus corporate plus direct marketing volume. On Wall Street, the recovery of IBM's personal computer business during 1993 would be called a dead cat bounce. We don't know precisely where the phrase actually started, but we believe it initially described a temporary upturn in a stock (or maybe the whole market) that had fallen sharply for cause. "Even a dead cat will bounce... once," may be the original phrase that entered what Wall Street calls a vocabulary. IBM's personal computer sales have dipped because customers were a lot more savvy than IBM figured.

Friends and neighbours

Their education came in 1992 and 1993, when tens of thousands of naive, trusting home and small business buyers believed there was a high likelihood that IBM cared enough and knew enough to sell machines that would be useful and remain so. In fact, IBM's offerings were too skinny for the software that buyers wanted to run - often by an order of magnitude. So, when asked by their friends and neighbours about buying an IBM personal computer, a lot of IBM's 1992 and 1993 customers advised, "Watch out! Such a warning is very difficult to ignore, despite the seductive power of IBM's advertising. IBM says its mainframes are now selling so well that it is out of machines until next year. The company has not disclosed how much manufacturing capacity it has left, but there is no doubt that demand is greater than IBM or anyone else expected. We wouldn't be surprised if IBM began to forecast a lasting rebound. But we think this is just another dead cat bounce, the result of customers finally executing purchase decisions that have been deferred for a long time. If IBM wants a sustained recovery in large systems and a happy customer base, it must work very hard to perfect the CMOS hardware it announced and fit it with attractive versions of all its systems programs. In the meantime, IBM must improve the value as well as the price-performance of 9021s and make the systems more attractive in other ways, too. It must also improve the bridges linking its current hardware to the CMOS generation. These bridges must be open so users with IBM-compatible machines can consider the IBM CMOS alternative. But bridges can be crossed in both directions. So those CMOS machines had better be pretty good. They should, in fact, be an order of magnitude better than 9021s. - **Hesh Wiener**

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the car makers were hit by recession. Sales peaked at 1.7m cars in 1986, before slumping to 1.1m at their lowest in 1991. But this year, according to Jacobs Automotive, an industry analyst, luxury sales will rise by about 7%, in line with the general market.

This gives the Europeans a chance to fight back. The Japanese cars, formidable competitors when they were launched, have fallen victim to the rising yen. Both Nissan and Toyota offer heavily subsidised leasing deals in order to get sales. The only cars to sell well are those, such as Honda's Acura, at the bottom of the luxury range. Significantly, Nissan is likely to phase out the smartest version of its Infiniti in a couple of years, replacing it with a cheaper variation.

In Japan, the question now is whether a stolid market will undergo the same competitive changes as America and Europe. Sales of luxury cars in Japan escaped the general collapse in the car market since 1990, until last year. Since most luxury cars are bought by companies, they were sheltered for a while from the decline in consumer spending.

After two stagnant years, sales are expected to rise again by 3% in 1994, along with the rest of the Japanese economy, says the Japan Credit Bank. Just in time: the Japanese car makers, whose market has become increasingly open to imports, are about to face tougher competition from the Europeans. BMW forecasts that its sales in Japan will rise by 16% to 30,000 in 1994 (after a 10% slide last year) and grow explosively to 80,000 a year by the end of the decade. Most of this growth in likely to come from the cheaper end of BMW's range.

A similar prediction lies behind the German firm's high hopes for America and Europe. There is even a new BMW 3 series model, the Compact, that will sell in Britain for as little as £13,350, taking it out of the luxury class altogether. BMW has turned luxury branding on its head. Instead of BMWs, there will be BMW 7 series (very posh), BMW 5s (quite posh), and BMW 3s (just pretending to be posh). Of course, such a strategy will help to build volume. But there is also a risk. Pierre Cardin, Gucci and other luxury-goods companies discovered long ago that popular, low-margin goods cheapen the really big earners at the top of the range.

Xerox

Well documented

STAMFORD, CONNECTICUT

The world's biggest photocopier maker believes its destiny is digital. If so, Xerox must reinvent itself

FEW firms are more familiar with failure. Having invented the photocopier, Xerox dominated the market for a quarter of a century, only to be humbled in the 1970s by Japanese rivals. While the firm was struggling, its Palo Alto Research Centre (PARC) invented the first real personal computer (complete with mouse and icon-based software), as well as the laser printer and high-speed networking. But Xerox ignored them at the time, despite its wish to be in the "information" business. In the early 1980s, the firm diversified into insurance and financial services. It lost a fortune. Now Xerox is

A red line in the sand

JEDDAH AND DHARAN, SAUDI ARABIA

COCA-COLA executives like to point out that their fizzy drink outsells Pepsi's by three to one outside North America. But what about Saudi Arabia? The underdog has held sway there for a generation; Coke is known as "red Pepsi"; and the world's most famous brand is fighting back.

For nearly a quarter of a century Coca-Cola was exiled from the desert kingdom. Its presence in Israel meant that it was subject to an Arab boycott. Free from its arch-rival, PepsiCo built up what has become its third-largest foreign market after Mexico and Canada. The firm has an 80% share of the $1 billion Saudi soft-drink market. Last year Saudi Arabia accounted for almost 7% of Pepsi-Cola International's soft-drink sales, and a higher (undisclosed) share of its profits.

Pepsi can ill afford to lose even a part of the Saudi market. The kingdom's Islamic laws banning alcohol, its hot desert weather and the Saudis' wealth make the country the most valuable market in the Middle East, outstripping even the teeming cities of Egypt. With Saudi Arabia's population rising at 3.5% a year, there is plenty of room for growth.

For Coca-Cola, the goal is not only to oust Pepsi from its Arabian heartland. Forced to defend one of its strongest fronts, it will have fewer resources to deploy elsewhere.

But all has not gone as well as Coca-Cola would have wished. The battle for Saudi should have started six years ago when the Arab boycott had crumbled. Coke soon began making inroads into the Gulf, Lebanon, Jordan and, most spectacularly, Egypt, where Pepsi has now lost its complete dominance. Saudi Arabia proved more troublesome.

At first, Coke's return was blighted by

Faisl's fizz

law-suits from old bottlers and bungled marketing. Then there was the Gulf war. Coke's generals sent in a squadron of refrigerated lorries under armed escort, but they were no match for Pepsi, whose five factories in Saudi Arabia worked day and night to supply the troops. At the very end of the war, disaster struck when TV screens around the world showed Norman Schwarzkopf signing the ceasefire—with a can of diet Pepsi at his side.

Coke executives say that all this is now changing. The Coca-Cola Bottling Company, in which Coke has a 15 per cent stake and whose majority shareholder is the powerful Saudi trading house, Olayan, will pour over $100m into the market by 1996. Some 20,000 red coolers have been shipped in over the past nine months, and America's Reynolds Company is among the investors in a new factory which by next year should be producing 1.2 billion Coke cans a year—100 cans for every Saudi in the kingdom.

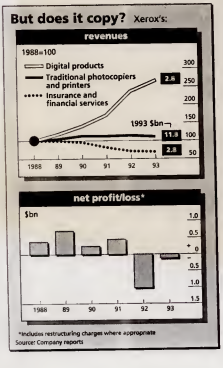
A marketing push, which included the million-dollar sponsorship of the Saudi World Cup football team, is paying off. In the past nine months Coke's market share has doubled to almost 15%. Pepsi has responded with discounting, which saw retailers being given six free cases with every ten they bought. Undeterred, Coke is aiming for the magic 35% when it will break into profit, by 2000. Operation Desert Straw has begun.

styling itself "The Document Company". Equipped with a new logo, it has set out to digitise the world's paperwork. A new dawn, or another day-dream?

The first fruits of Xerox's strategy are big machines known as DocuTechs. These $250,000-plus behemoths rapidly scan paper documents into digital format; store and manipulate the digitised text and images; then print the modified documents or transmit them over networks to other DocuTechs. They are factories compared with the cottage industry of desk-top publishing. But what will really help this technology take off, thinks Xerox, is its new range of scanners, image processors and printers, controlled by software known as DocuSP. To be launched early next year, DocuSP allows the scanners, processors and printers to be in different locations and to communicate over PC networks regardless of differences in the computers' software.

Xerox hopes that its machines will not only snare the low end of the professional printing market, but will also become the juggernauts used to cart firms' documents around the information superhighway. Once digitised, documents need no physical storage space, and can be manipulated at will. "In almost every industry", says Paul Allaire, Xerox's chairman and chief executive, "documents represent a huge part of the cost base." In theory, a "document superhighway" should cut those costs.

At present, digital products account for 21% of Xerox's non-insurance revenues (which were a total of $14.6 billion last year—see chart). But whereas Xerox expects sales of its traditional copiers and printers to grow no faster than real GDP in mature markets, its revenues from digital products are growing at an annual rate of 22%. By 2000, says Colin O'Brien, head of Xerox's document-production unit, the firm's revenues will be "80% digital".



To get from here to there, Xerox is busy forming alliances. In June it announced a deal that will mesh its document-imaging technology with a range of Microsoft's PC software. It is working on other software projects with Novell, Lotus, Digital Equipment Corporation and Sun Microsystems. Xerox has teamed up with AT&T, America's biggest long-distance telephone company, to overcome the expense and sluggishness that are two of the biggest barriers to sending digitised documents over networks. And with Electronic Data Services (EDS), the world's largest computer-services group, Xerox is pondering how to build document-imagers into corporate computer networks.

The X factor

All this will be for naught, however, unless Xerox also makes itself more efficient. The firm is frantically restructuring its businesses to improve productivity: "We badly needed to catch up," admits Barry Romeril, Xerox's chief financial officer.

The firm has already closed three plants, leaving it with six main factories. It is halfway through cutting its non-insurance workforce (which stood at 97,000 at the end of 1993) to around 85,000. Part of Xerox's financial-services business has been sold, and the insurance interests that remain are on the block. Previously managed along functional lines, Xerox has restructured itself into nine business units, each with its own profit-and-loss account, and has stripped out up to three layers of management. This restructuring, which resulted in a pre-tax $1.2 billion charge in 1993, should cut pre-tax costs by more than $1 billion during 1994 and 1995.

Xerox and PARC have also mended fences. The two once treated each other with near contempt: "We were hopelessly arrogant," says John Seely Brown, Xerox's chief scientist and the research centre's director. PARC scientists devoted themselves to long-term research and despised the one-year horizons of Xerox's product engineers and marketers. These in their turn saw little commercial value in PARC's futuristic gadgetry. Now, says Mr Seely Brown, "research is informed by corporate strategy, and corporate strategy by research."

Nevertheless, the firm is far from united. Xerox's digital strategy is regarded with suspicion by those inside its photocopier camp. They note that the "annuity" from copiers—the recurring sales of service, parts, paper and rentals—accounts for two-thirds of Xerox's non-insurance revenues. Can digital products ever grant such a vast and reliable legacy? Peter van Cuylenburg, who directs Xerox's digital strategy, thinks it can, arguing that new software and upgrades could make the annuity from digital products even greater than that from copiers. Yet, supposing he is right, Xerox will find it hard to corner this business, which will be based on a software standard open to all comers.

As Xerox becomes more like a computer company, it may also fall victim to the computer industry's price wars and shrinking profit margins. Mr Van Cuylenburg thinks not: "We don't intend to have a commodity-like business," he says , arguing that Xerox can command a price premium by differentiating its products. Computer companies now embroiled in price wars were saying the same thing five years ago.

Xerox could find it hard to adapt to this cut-throat world. In recent years its gross (non-insurance) margin has ranged from 46% to 48% of revenues, largely as a result of profitable sales and service contracts. Xerox has become spendthrift, lavishing 30% of its revenues on selling, general and administrative (SG&A) expenses. Hewlett-Packard, a fierce rival in the digital domain, thrives on a gross profit margin of 38% (and falling), and spends a modest 20% on SG&A.

Mr Romeril concedes that Xerox's high SG&A costs have long been a problem, but argues that the replacement of its salesforce with an indirect one will control spending. He had better be right. Hewlett-Packard, IBM and Siemens, along with several software firms, are investing in digital document processing. The days when Xerox's technical lead guarantees a premium will soon be gone. The firm is already being nudged downmarket: it will soon launch a combined scanner, fax and printer for less than $1,000, with slender profit margins.

And that is not all. Digital document-processing machines (including Xerox's own) could start to replace traditional photocopiers and printers. Eventually, this will erode that rich annuity those stalwarts generate for the company. Xerox may be squeezed between the old and the new—with a large digital blot on its copybook.

months to 30 June. Earnings per share were 0.45p (0.5p). The dividend is 0.3p (same).

Merivale Moore, the property company, has bought 16 office and industrial properties from Sun Life Assurance for £12.4m. Most are in southern England and the portfolio will return an initial yield of 11.5 per cent.

TBI, the London and Cardiff property investment and development company, has paid £9.7m for a mixed portfolio of 21 properties. The 14 retail units, five industrial units and two office buildings have been bought from Legal & General.

P&P, the computer group, received a 94 per cent take-up for its rights issue.

Costain, the contruction group, is to redeem, at 100 per cent of the issue price, the outstanding 7.5 per cent guaranteed redeemable convertible preference shares 2003.

Eaglet Investment Trust made £467,000 of revenues before tax in the 51 weeks to 30 June. The net asset value per share is 110p and the first and final dividend is 1.4p.

Murray International Investment Trust achieved revenues before tax of £10.5m, down from £10.8m, for the half-year to 30 June. Earnings per share were 6.8p (7.05p) and the net asset value was 324.2p compared with 310.6p.

Kerry Group, the Irish food manufacturer, made interim pre-tax profits of Ir£14.96m for the six months to 30 June, compared with Ir£13.6m last time. Earnings per share were 7.9p (7p). The interim dividend is 1p (0.9p).

nitely up," he said.

Friendly operates 24 hotels in the UK outside London. It has another in France and two in Denmark, all of which are of about three-star standard. It also operates offices for short-term let in 18 places in Britain.

Interim profits were £936,000 against £679,000. The advance in earnings per share from 3.3p to 3.5p was more modest, following a rights issue last September.

2.2p, but is less than twice covered by earnings. Mr Thompson said the level of cover precluded a rise in the dividend but added that the decision to hold it could be seen as a sign of confidence in the future.

Friendly raised £10m in the one-for-three cash call to reduce debts. Gearing, including £14m of long-term debentures, was 44 per cent at the halfway stage. The shares were unchanged at 190p.

so on their terms and conditions at the time of transfer.

"It is a matter for those who have not signed to seriously focus their attention over the next few days. After that, it will be too late."

The agreement, which must be honoured by the companies that buy British Coal, includes an immediate payment of £6,000. However, mineworkers' unions are opposed to the scheme because it forces miners and colliery officials to accept more

Stiffer tests ahead for sterlin

THE POUND'S flirtation with its record low against the mark has encouraged talk of a sterling crisis. Analysts believe the Government's willingness to raise interest rates and to resist an irresponsible cut in taxes will be crucial to the currency's prospects.

The pound has fallen by about 10 per cent against the mark since the beginning of the year, reflecting greater optimism about the German economy and the perception that the turning point in German interest rates is approaching.

The pound's performance has also been affected by uncertainty about when the Bank of England will raise interest rates. The pound fell below DM2.40 on last week's good inflation figures. But it rose yesterday by 1.5 pfennigs to DM2.3901 after the Central Statistical Office said on Monday that recovery was stronger than had been thought.

Some analysts believe that a fall

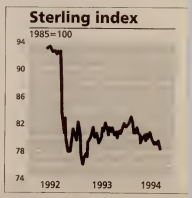
ROBERT CHOTE
Economics Correspondent

to below its record low of DM2.34 would convince the Bank of England to raise rates. But since Britain left the European exchange rate mechanism, the Bank has focused more on sterling's strength against a basket of currencies. The fall in its trade-weighted value has been only half as sharp as against the mark, as the pound has fallen in tandem with the weak dollar.

"The pound has been caught in the crossfire between the dollar and the mark," said Neil Mackinnon of Citibank. He noted that the pound had also fallen below Sfr2 for the first time, which might not bode well for its future performance against the mark. "Investors still regard sterling as a soft currency."

Chris Turner of Barclays de Zoete Wedd warned that the biggest threat to the pound was the Treasury's reluctance to raise interest rates.

Sweden and Italy both raised rates recently, doing their currencies no good at all. But both have large budget deficits, which in the case of Italy meant that higher rates added L5,000bn (£2.5bn) to its debt-servicing costs. In Britain government borrowing is falling



BOTTOM LINE 24.08.94

Wace looks to a multi-media future

THE renaissance of Wace, information handler and printer, appears more or less complete.

Pre-tax profits for the six months to June rose 57 per cent to £11.1m, while earnings increased 144 per cent to 10p a share — a far cry from the £26m loss in 1992. The advance was all the more impressive for being achieved in the face of intense price pressure.

Paper pulp inflation is working against the group, but Wace keeps a tight rein on costs. Another 181 jobs were shed, taking total numbers down 13 per cent in the past three years to 4,440. Productivity measures, including simple steps such as invoicing earlier, also helped operating margins widen from 6.9 to 8.6 per cent.

With its past troubles just about sorted out, Wace is looking to the future. Its main business is transforming packages of information in raw form into film ready for the printing press, and printing.

In future, it wants to cash in on the rising demand for multi-media by handling and transmuting data ready for media other than print. It is a brave step, and one not guaranteed to succeed. However, Wace has proven it can run its traditional business profitably.

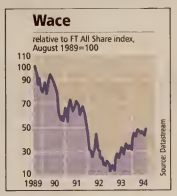
Investors can also draw comfort from the company's success in cutting debt. It struggled under borrowings twice the size of net assets three years ago. Now debt is halved, largely thanks to internal profit generation, and the gearing ratio down to 80 per cent.

At 264p, up 10p yesterday, the shares trade on a forward price/earnings ratio of 17.5 — bang in line with the printing and packaging sector. But if Wace can deliver on multi-media, it could be rewarded with a premium rating.

Long-suffering shareholders have some way to go before recouping the falls of 1989 to 1993. Relative to the market average, Wace shares languish at 50 per cent of their value five years ago.

However, the shares have outperformed by 250 per cent during the past 18 months. Even so, Wace holds attractions for new investors.

The 50 per cent increase in the interim dividend to 1.5p gives a clear indication of management's confidence. The yield is a paltry 2.1 per cent, but Wace is a growth stock. Buy.



More jam tomorrow

IT WAS always inevitable that some new issues would go badly wrong, given the scale of activity at the beginning of the year.

The market was so frothy that virtually any business, no matter how esoteric, young — or, in the case of biotechnology stocks, loss-making — could find a buyer.

The eagerness to climb on the small company bandwagon meant that deficiencies in management or business prospects could all too easily be overlooked.

Compared with the new issue disasters, such as Maid, the 36p decline in Nottingham Group's share price to 119p looks modest enough — although, as the first new issue sponsored by Goldman Sachs, it is hardly an auspicious start.

It is also little consolation to those who were tempted in at 155p on the promise that schools were about to unlock the £400m purchasing reserves they had built up. Less than six months later, it appears the purse strings have, if anything, tightened and it is once again promising jam tomorrow in the hope that the pent-up demand will be released next year.

Pre-tax profits were down from £3.9m to £3.6m, and earnings from 5.12p to 4.6p, but the dividend was maintained at 1.84p, equal to last year's notional payout.

Operating margins are still a healthy 15.6 per cent, vindicating the group's claim that a small rise in volumes — or, as it turned out, a fall — could have a significant impact on profits.

The problem is predicting when that volume will come. With the national curriculum changing almost monthly, it is hardly surprising that schools are reluctant to spend too much on equipment lest it soon become obsolete.

And the Government doubtless counted on local managers of schools being rather more prudent in their spending than local authorities when it instituted its education reforms.

Both these problems should resolve themselves eventually and the market start growing again. It could, however, be a long and uncomfortable wait.

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BARCLAYS COMPUTER OPERATIONS

FACSIMILE MESSAGE

To: Peter Hines
c/o Maxine

From: Ross Clarkson
by Maeilyn

Date: 16th Aug

Number of pages to follow: One

SUBJECT: As Promised

Steve?

Messages/Comments:

23rd August 1994 @ 10.30am
Building B.

1) List of potential interviewees
2) Merger branding question re EDOTECH & IBM.

Barclays Computer Operations is a division of Barclays Bank PLC.
Registered Office is at 54 Lombard Street, London EC3P 3AH. Registration Number is: 1026167

Sam Ferguson

Electronic Output Strategies

EOS

GartnerGroup

Key Issues, K-500-429
R. Bertrand, R. Terdiman

Research Note
December 1, 1993

Output Outsourcing Trends

As the outsourcing craze rolls inexorably on, a number of trends have emerged. Those related to the "big picture," and their impact on output processing, are considered here.

Key Issue
What output technologies will enable IT organizations to deliver more useful, timely information to the end user, at lower cost?

Strategic Planning Assumption
Forty percent of Fortune 1,000 companies will outsource some component of their output operations by 1996 (0.7 probability).

Three Examples of Typical Output Outsourcing Arrangements

- A large financial institution spun off its entire output-processing facility as a separate profit-center organization. It now regularly "insources" material from other financial institutions, has increased its equipment utilization, and operates at a profit.
- A regional health-care organization moved all of its output processing to an outside facility-management organization, and saved substantially as a result.
- A large, multiline insurer outsourced a several-million-page-per-month, graphics-intensive printing and packaging job to a service bureau, rather than buying new hardware and software that would be used only for this job.

This *Research Note* summarizes the predominant trends in outsourcing, and analyzes how these trends will affect enterprise output production.

Outsourcing is here to stay (at least for the '90s). As corporate America searches for ways to compete globally, pare payrolls and cut costs, outsourcing nonessential functions is on the rise. In a subpar economic recovery, companies now view contracting with specialized firms at a supposed "fixed price" as a panacea to their economic woes. This tendency to outsource also enables firms to concentrate on their core competencies. While senior executives may feel that IT is critical to their companies, they do not necessarily feel that maintaining their own IT staff (or producing output in-house) is critical. *Two groups will use output outsourcing most often: Large shops in paper-intensive industries, such a insurance, finance, banking and utilities, will use outsourcing for individual applications that they cannot handle cost-effectively in-house; midsize-output shops (2 to 5 million pages per month) in all industries will outsource heavily, since their size makes it difficult to easily justify output-factory automation (0.7 probability).*

Even financially secure companies have begun to outsource. Emphasis on economics as the sole reason for outsourcing is decreasing. We have begun to see profitable companies, with highly competitive output-production areas, deciding to outsource. A number of large insurers have opted to outsource forms production, traditional print or all output. One financial client spun off its entire output organization as a separate company. It now contracts with this service bureau on a non-exclusive basis, while allowing the output subsidiary to maximize its production line by selling capacity to other firms.

The future trend for large firms will be to make selective outsourcing deals with multiple vendors. *Forty percent of*

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Fortune 1,000 companies will outsource some component of their output operation by 1996 (0.7 probability). Requirements such as increased automation (and lower personnel costs), color, special packaging and mailing will lead to increased outsourcing of significant output segments vs. entire operations. As the trend toward output consolidation continues (and as output portfolios include such components as on-demand printing, reprographics, forms and advertising materials), output managers will have to decide which applications can be best produced internally vs. externally. Successful output managers will increasingly broker output applications to "best of breed" vendors, and will then have to learn how to successfully manage multiple vendors.

Traditional outsourcing is taking off. Increasingly, clients are asking us for the names of service bureaus that can provide complementary output support and/or facilities management. *Output service bureau volumes will have to double by 1998 to support increasing demand; there will be fewer, larger, multiregional service bureaus, and national computing providers will enter the output services arena (0.7 probability).*

The disaster-backup market for output will flourish. Customer service organizations increasingly depend on their automated-output factories to deliver products that feed their cash flow (e.g., bills, policies or invoices), and are not generally in a position to implement manual backup systems in the event of the destruction of their output site. The increasing risks of this type of "exposure" will cause companies to build reciprocal arrangements with other companies, or to have detailed backup plans in place with service bureaus. Print-backup support will not be the key issue here; integrated finishing that supports the specifics of the client's applications will be the key.

When will outsourcing make sense for you? We regularly advise clients to closely examine their operating environments, and to develop internal cost parameters that will help them to determine when outsourcing is better and what they should pay for it. We also advise clients to closely examine what print can be eliminated or viewed on-line, as part of an approach to reduce cost, increase efficiency and free up capacity. Some service bureaus and/or national outsourcing providers will perform these studies for nominal cost, and external studies can be used as counterpoints to an internal study. The bottom line is that companies are saving money and improving service through outsourcing. However, homework must be done in advance to use output outsourcing effectively. The EOS service can help with this approach.

28.11.94

Moore and EDS Create Alliance With 2 Contracts

By Larry M. Greenberg
And Louise Lee
Staff Reporters

Moore Corp. and Electronic Data Systems Corp. said they created a "significant business alliance" with the signing of two concurrent 10-year contracts valued at as much as $1.7 billion.

The pacts give Moore, a major provider of business forms, a big boost as it reorganizes its operations in response to businesses' declining appetites for paper forms. For EDS, a Dallas computer-services subsidiary of General Motors Corp., the move is expected to save money by giving Moore control of certain tasks that EDS previously performed in-house.

Under terms of the contracts, which take effect Saturday, EDS will assume responsibility for revamping and running Moore's internal information systems, which handle communication flows among the Toronto-based company's operations in the U.S., Canada and 56 other countries. An EDS official said about 150 Moore employees who work in information technology will become EDS employees. The work is expected to generate revenue for EDS of between $400 million and $700 million, depending on the level of services needed, over 10 years.

At the same time, Moore will take charge of all of EDS's procurement and design of paper and electronic business forms, including blank paychecks and customer statements. Moore also will manage EDS's printing needs, such as brochures and annual reports. Moore expects revenue over the life of the contract of between $500 million and $1 billion.

"Our alliance will enable each company to take advantage of the other's core competencies to help them maintain competitive advantage in their industries," said Gary Anderson, an EDS executive.

"This is a real coup for Moore," said Martin McDevitt, an analyst at Clearly Gull. "EDS has been a big factor in assisting Moore in its restructuring program. Now they're going to continue to work hand in glove over a period of years."

Moore, which had sales last year of $2.3 billion, has been reducing its traditional role as a provider of large-batch paper business forms.

and that "the time has come to return to Iraq, our natural ally in the Gulf."

After an ostensibly "private" visit by Mr. Aziz to Paris last October, France officially invited senior Iraqi oil officials to Paris in April and inked a formal agreement to rebuild Iraq's Nahr Umar oil field in June. Later that month, a French delegation of 28 CEOs from major companies such as Alcatel-Alsthom, Schneider, Electricite de France, Renault and Citroen went to Baghdad to discuss building everything from chemical plants to automotive factories. Their principal interlocutor was Lt. Gen. Amer Rashid al

Boris Wants Mor

there is a fear that Russia will go back to its old tricks, trying to reassert its grip over the former Soviet republics through political or economic coercion.

"Russia cannot have a real partnership with the United States," asserts a top official at the Russian security council. His arguments, echoed by many others, are the following: First, the United States wishes to establish a new Pax Americana which, in his view, consists of expectations that Russia follow America's lead. Second, the U.S. uses a double standard when assessing its own behavior and Russian behavior. Americans ask Russia to refrain from the use of economic pressure, threats and limited use of force, tools that are constantly used in U.S. foreign policy. Finally, he says, the U.S. is still discriminating against Russia on trade—refusing to grant it Most Favored Nation (MFN) status and introducing new limitations on technology transfers even after the death of the export-control organization COCOM.

Top Russian foreign-trade officials privately complain that Moscow has sacrificed long-term ties with its most promising arms customers (such as Libya and Iraq) for the sake of better relations with the U.S. just to see it deny Russia new markets for its military and space technology. Russia resents being pressured on relatively minor deals like selling cyrogenic rocket engines to India or obsolete submarines to Iran. And a number of moderate politicians would agree that NATO is striving to deprive Russia of its natural, leading role in the former Soviet Union.

Whether all of this conforms to reality is highly debatable. What is sure, though, is that a new, negative mythology has emerged in both countries. There is an ever-increasing danger that this thinking will shape the attitude of Russia's political establishment toward the United States. Until now, both administrations have kept this negativism

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and Mr. Clinton's de facto acceptance of, the idea that Russia has now achieved a position of moral equivalency with the West

AT HAND

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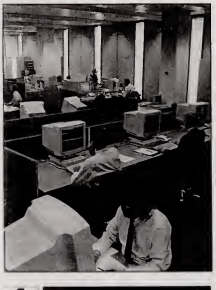

CAREPOINT

Customers Benefit From BNS And Logica Strategic Partnership

BNS has recently formed a strategic partnership with Logica, the leading independent consultancy, systems integration and software company,

reinforcing its commitment to providing a first class, quality service for Barclays Group customers.

The new partnership will support BNS' implementation of key elements of Barclays' IT strategy, including the development of an open systems distributed processing infrastructure.

Major projects currently in progress at BNS include the definition, design and delivery of Barclays' new open systems based branch banking platform and generic platforms for use in mission critical business areas, such as central processing sites, call centres and office environments. Providing extensive project and product management experience and technical skills, Logica will complement the expertise of the BNS Team and work closely with them to deliver these and other systems in the future.

As reported in earlier issues of *Perspective*, the ongoing branch platform programme is regarded by Barclays as business critical, complex and requiring delivery to tight timescales and budgets. The joint BNS/Logica Team has recently successfully delivered the latest pilot release into the branches on time, within budget and to a very high standard.

According to Keith Bellamy, Networks Director at BNS, Logica was specifically chosen because of its excellent reputation worldwide for building strong partnerships with clients: *"It was a case of putting together a team which could see itself as much BNS as Logica, working to deliver what was a high risk project on a very tight schedule. They've more than proved themselves to be true partners."*

For further information, please contact your BNS Account Manager or Carole Gillespie, Partnership Manager on: Clearway 7 2000 3607, or 0565 613607, or via ALL-IN-1 Gillespie, C1.

RUM

um, chaired by Ken
stomer Business
nded by over 60

Northampton, BCO's fifth User
mers, some from as far afield as
to provide BCO's clients with an
s well as providing a discussion
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neering.
the opportunity to visit an exhibition
cluded Work Area Recovery, OPM,
h, Safe Guard, Edotech and

by the Chairman Ken Pilbeam,
ions, who introduced Keith Harmer,

went on to say that "savings of more than £8 million have been passed on to BCO's clients by becoming more efficient", reflected in the company's pending company-wide accreditation for BS5750. Ben Jones then outlined recent IBM announcements and the day was concluded by

INPUT

CONFIDENTIAL—Property of INPUT

CONTACT REPORT

INPUT Staff: Init. BF Init. _____ ☐ INPUT office ☐ Client Office ☐ Other _____

Contact Date: 21/9/94 Date Written: 22/9/94

Company	IBM ISSC
Name	TONY HEYWOOD
Title	SALES SUPPORT
Address	
Phone: ( ) -	
Fax: ( ) -	

DISTRIBUTION:			Prog./Proj. ID
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SERVICE PLUS (DESK TOP) ? PAUL NEALE DIR OF O/S

BOB WYATT (ENGAGEMENT EXECS) – SALES – BY VERTICAL SECTOR
T.H.

MARTIN BROWNING OPS & PRODUCT MGRS.

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. PRINT FULFILLMENT
CALLIANCE WITH 'PAPER FLOW')

. VARIENT IN OSPR
. WILL DISCUSS WITH P.N. ET AL.

BF TO CONFIRM US CONTACT ISSC ↔ INPUT.

☐ Continued over

M&S 3000/1 6/92 (R)

will live up to its best price promise.

- Criticism about customer complaints is being addressed with the introduction of handling procedures.

progress over the year, prior to undertaking its next fully validated survey early next year.

For further information, please contact your BNS Account Manager.

Autumn '94

DISASTER? What Disaster?

BCO customers can now take advantage of business continuity services offered by the BCO/Comdisco alliance officially launched on 13 April 1994.

The North London centre offers full business resumption facilities including areas with 25, 50 and 100 positions (desk, chair and workstation), conference rooms, executive offices offering a total capacity of over 200 workarea positions. Communications facilities comprise a server and communications hub running all presentations inward and patching out to the floor. The centre also offers catering facilities and rest rooms with TV and video.

Graham Vingoe, Operational Risk Manager of Global Payments, one of the subscribers, commented: *"We're very impressed with the service, and the support from BCO. Ironically of course, we hope we'll never actually have to use the facility other than for regular testing."*

A key element to business resumption is the wiring and communications, and the centre is equipped with full TokenRing, Ethernet and 3270 capability to every desk, using the latest CAT V wiring, plus a state of the art PABX system.

For further information please contact your BCO Account Manager or Paul Davies on Clearway 7 2000 4623 or on 0565 614623 or via ALL-IN-1 Davies, P1.

05.12.94

Xerox offers to manage facilities

By Robyn Chalmers

Rank Xerox, the international document company, has joined forces with cost management consultancy Currie & Brown to launch a new company in the growing facilities-management market.

The market has grown rapidly over the past few years as companies have cut costs by concentrating on their core businesses and farmed out more peripheral services to specialist organisations.

CBX, which is to be launched today, will be capitalised at £500,000 and be held equally by Rank Xerox, Currie & Brown and the management of CBX. CBX was formerly the British services division of Rank Xerox.

Traditionally, companies operating in the market have tended to concentrate on managing one particular aspect of an organisation's operations, such as property management.

However Mr Alan Berry, managing director of CBX, said the company would integrate the operations of buildings, including property management, facilities operations and project management.

Facilities management has developed along a number of paths. It is well entrenched in the computer industry, where companies outsource hardware and data processing, while in the property sector the concept has centred on the management of buildings and building services. The public sector has also moved in this direction, with compulsory competitive tendering, privatisation and market testing opening up a diverse range of contract opportunities to private-sector companies.

The expansion of the sector means reliable figures are scarce and it remains an ill-defined market with huge variations in the estimates of its size.

Canadian printer in UK move

05.12.94

By Robert Gibbens in Montreal

Quebecor Printing, North America's second-biggest commercial printer, is finally acquiring HunterPrint, the lossmaking UK printer, for about C$3m (US$2.2m).

HunterPrint will be Quebecor Printing's first foothold in Britain and it plans further expansion soon, said Mr Pierre Karl Peladeau, president of Quebecor Group and in charge of the Canadian company's European expansion.

Quebecor Printing in turn is a subsidiary of the Quebecor Publishing Group based in Montreal and controlled by the Peladeau family.

Quebecor has been negotiating to buy HunterPrint for two years. Now it is offering 2p a share for the ordinary shares and a further amount for the preferred. It already has 54 per cent of the ordinary shares committed under its offer.

HunterPrint, after a recent asset sale, has annual volume of about C$80m. Quebecor is negotiating with trade creditors and will put new working capital into HunterPrint.

Early this year, the auditors of debt-burdened HunterPrint expressed "fundamental uncertainty" over its prospects as a going concern.

In August in an attempt to cut debt, the Corby-based company sold its only active subsidiary, Hardy Printers, to a management buy-out team for £1.85m (US$2.88m).

At the time, the company said that even after the disposal, it would "only have sufficient working capital for its current requirements through the continued support of its existing bankers".

Strong first-time contribution from Chef & Brewer pubs chain

Scottish & Newcastle 28% ahead

By Roderick Oram, Consumer Industries Editor

A strong first-time contribution from the Chef & Brewer pubs chain helped Scottish & Newcastle, the beer and leisure group, report a 28 per cent rise in interim pre-tax profits from £114m to £145m.

"We've had great success in integrating Chef & Brewer," said Mr Brian Stewart, S&N's chief executive. The group was unable to break out the underlying profit growth of the existing leisure, pub and brewing businesses.

Chef & Brewer, acquired from Grand Metropolitan a year ago for £703m, is thought to be earnings enhancing, several analysts said. Operating profits from all pub retail activities rose to £73.3m (£29.2m) on sales of £364m (£145m).

Mr Stewart said the chain offered plenty more scope for development with, for example, the Homespreads food concept and the addition of accommodation at some sites. The group was achieving a 25 per cent return on investment in new projects in the chain, he added.

Chef & Brewer took little of S&N's beer during the half year, however, because of its supply agreement with Courage which expires next March. "Long-term, we would like to supply the bulk of it," Mr Stewart said.

Profits from brewing and related activities fell to £45.4m (£50.4m) on sales of £445m (£443m). Half the fall was attributable to low maltings prices which should recover next year, the group said.

S&N's beer volumes were up 2.4 per cent in the half year to October 30, with sales to the pub trade flat, but with improved margins, and sales to off-licences and other retailers up 11 per cent.

Scottish & Newcastle

Source: FT Graphite

The group benefited from the warm summer weather and a good performance from brands such as Becks lager and Theakstons and McEwans Export beer.

Margins in the off-trade suffered a "substantial decline", but some second half-recovery is expected.

Leisure contributed profits of £49m (£47.1m) on sales of £202m (£192m). Center Parcs achieved a 10 per cent increase in profits thanks in part to the opening of a third UK holiday village at Longleat. Profits fell at Pontin's holiday centres because foreign competition led to a 7 per cent downturn in visitors. Pontin's bookings were up about 5 per cent in the second half, however.

Net debt was £740m at the end of the half year for gearing of 41 per cent. This was a slight increase from the year-end level because of a small cash outflow as expected.

The board declared a 7 per cent increase in the interim dividend from 5.78p to 6.18p. Earnings per share increased to 20.4p (18.8p) – or 20.2p (18.5p) fully diluted and excluding a £500,000 loss on property disposals against a loss of £200,000 a year earlier.

See Lex

New market growth boosts Oriflame

By David Blackwell

Strong growth in new markets has helped Oriflame International, the door-to-door cosmetics group, to lift interim profits by 17 per cent in spite of a slight decline in sales.

Pre-tax profits for the six months to end September rose from £5.39m to £6.3m on turnover of £40.5m (£40.9m). Direct sales, through more than 70,000

Shares in the group rose 12p to close at 269p.

Mr Robert af Jochnik, chairman, attributed the growth in profit to higher sales in Finland, Chile, Mexico and Portugal. He sees further growth in Spain and Portugal, and regards Latin America as the market most likely to expand rapidly, with Argentina, Colombia and Venezuela targetted for next year.

Europe and the US, where retailing is so developed," he said. "It is different in the emerging markets, where people are looking for earning opportunities and retailing is not developed."

The group is also hoping to move into the Indian and Chinese markets. "We are confident of being in one or both of these markets in the next couple of years," said Mr af Joch-

reflected the suspension of loss-making operations in France and Germany; restructuring in the UK and US; a switch from finished to bulk sales to the eastern Europe operation, which opens a new factory in Poland next summer; and a drop in mail order sales to Sweden.

The pre-tax figure was struck after £446,000 (£432,000) in interest and foreign

Inchcape sells motor rental businesses

By Simon Davies

Inchcape, the internationa motors, services and marke ing group, has sold its remair ing car and van rental busi nesses to a managemen buy-out for £29.75m.

The sale of Kenning Car an Van Rental (KCVR) and Unite Rental Group had been expec ted, and represents the fina phase of streamlining follow ing the acquisitions of TKM and Hogg Group.

The buy-out was backed b venture capital group 3i which has put together £100m financing package t cover the purchase price an an additional off balance shee debt of £70m related to th vehicle fleets.

Mr Chris Rowlands, directo of 3i's Birmingham office, sai the two companies had made total operating profit of abou £4.5m last year. 3i has pu together £17m of equity fund ing, while Barclays arrange £15.5m of debt. The manage ment will own about 40 pe cent of the company's shares.

KCVR was purchased b Inchcape as part of the £383 acquisition of TKM in Marc 1992, while United was part o Hogg Group, which wa bought in June. Their com bined fleets, including vehicle operated by franchisees amount to 25,000 vehicles an the two companies operat through more than 200 outlet

COMPANY NEWS: UK

06-12-94

HunterPrint escapes receiver

Tim Burt considers the repercussions of investing too heavily

The takeover offer by Quebecor Printing, the Canadian printer, for HunterPrint yesterday cleared another hurdle by extracting new terms from union leaders at the group's plant in Corby, Northamptonshire.

Mr David Doulton, HunterPrint's managing director, said the GPMU print union did not take much persuading. He told them that if they rejected the offer, the company's 500 workers "would be looking right down the receiver's throat".

Welcoming the deal, Mr Doulton claimed it would not only safeguard jobs but re-establish HunterPrint as an important force in UK printing.

Ironically, by recommending the offer he may also have signed his own death warrant. There is no guarantee that Quebecor will retain a management that has struggled to contain borrowings during five successive years of losses.

A £13.6m rights issue and £18.3m capital reorganisation failed to stem the tide, and investors who once saw the shares reach 565p have witnessed a steady decline to yesterday's close of 1¾p – a fall of 1¼p on the day.

Nevertheless, investors holding 53.5 per cent of the ordinary shares have accepted Quebecor's offer of 2p per share, while preference shareholders will get 1.33p per share.

With no other offers on the horizon and its auditors expressing "fundamental uncertainty" over its future, HunterPrint expects the remaining shareholders to accept given that receivership is the likely alternative.

But Mr Geoffrey Eades, finance director, said the group's performance could improve with Quebecor's backing. It could not get much worse. The company has been fighting a series of crises since it turned to lenders in 1989 to finance the bulk of its new plant at Corby.

Mr Eades lays the blame squarely at the door of Mr Michael Hunter, the founder, who pushed the company to the edge of bankruptcy by investing heavily in probably the UK's most modern web offset plant. That saddled the group with debts of £44.5m just as the recession hit the industry.

Some City analysts say the management, led from 1990 to 1992 by Sir Ian MacGregor, the former chairman of British Steel and the National Coal Board, made matters worse by sharply discounting prices to win more contract printing deals.

"They undercut their rivals by up to 50 per cent and could not generate the cash just to run the business," according to one.

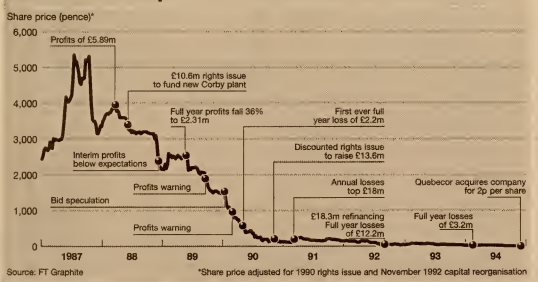
Yet that strategy has paid off with potentially lucrative contracts with publishers such as Mirror Group Newspapers, the Guardian Media Group and Associated Newspapers, which Quebecor will inherit just as they are beginning to mature.

While agreeing to inject £7m to underpin the business, the Canadian group has also persuaded HunterPrint's lenders to waive interest on its current borrowing for two years.

Those borrowings have been steadily reduced to £17m, making the Corby site an even more attractive proposition.

For the printing industry, this may be bad news. A rival that looked terminally ill may be reborn in a leaner form, and HunterPrint could yet realise its founder's vision of "keeping one step ahead of the competition".

HunterPrint Group



Source: FT Graphite

*Share price adjusted for 1990 rights issue and November 1992 capital reorganisation

Board urges acceptance of Quebecor takeover

By Tim Burt

HunterPrint Group, the debt-burdened printing company, yesterday warned shareholders that failure to back an agreed takeover by Quebecor Printing, North America's second-biggest commercial printer, could force it to appoint receivers.

Announcing a 24.4 per cent increase in full year losses, the Corby-based company said it would be unable to guarantee the group's financial future if the C$3m ($1.4m) acquisition was derailed.

Pre-tax losses rose from £3.16m to £3.93m in the year to September 25 on turnover down from £50.8m to £49.2m.

The group, which is Britain's leading independent printer of national newspaper supplements, saw gearing increase from 134 per cent to 183 per cent – equivalent to total debts of £17m.

That meant it was unable to declare a dividend or pay dividends due on its cumulative redeemable preference shares.

"The level of on-demand [banking] facilities available to the current management does not provide sufficient working capital for the group's future trading requirements," said Mr Jeoff Samson, HunterPrint chairman.

Olivetti in link with US document distributor

By Andrew Hill in Milan

Docunet, a California-based company developing a system for electronic distribution of travel and other documents, has linked with Olivetti, the Italian computer group, and three other partners to build a network of touch-screen self-service machines in the US.

Over the next three years, the Italian company will supply Docunet with 6,000 machines, capable of delivering travel documents or theatre tickets instantly to customers in shopping malls, office buildings or airports.

The agreement will be worth about $96m to Olivetti, the Italian company said. It also said it would buy a stake in Docunet but did not say how large.

The agreement announced yesterday will also involve EDS, the computer services company owned by General Motors, which is to provide the network to link the machines.

Bell Atlantic, the telecommunications group, and Chemical Bank of the US will also take part in the scheme, helping to market Docunet machines on the east coast of the US.

Two agreements have already been signed with the Giant Food stores chain in the Washington area, and with the Ralphs supermarket chain in southern California, to install new machines in 170 shops by the end of the year.

Docunet said it had already signed agreements with American Airlines and USAir, to issue tickets through the Docunet system. "Certain large US [travel] agencies – US Travel, Thomas Cook, Travel One, Giselle's and Travelogue – intend to issue tickets through Docunet," the company added.

The system is the latest evidence of the growing use of "information superhighways" in the US. The machines are likely to resemble automatic cash machines, and operate with credit cards or cash.

SPOTLIGHT

Visual Edge Offers Bridging Tool

VISUAL EDGE Software Ltd. is to roll out Oct. 1 Object Bridge, a cross-platform object-oriented programming tool that could solve the object-technology standards quandary. The offering is significant for developers who have already chosen an object strategy and for those waiting to see which object vendor wins out.

Standards are a key issue in the world of object-oriented programming, where the multitude of products has made it difficult for users to choose among object technologies backed by Microsoft, Apple, IBM, Next, Hewlett-Packard, Borland, and others, because they might be locked into a proprietary system.

Object Bridge, says Mike Foody, president of the Quebec-based Visual Edge, "will allow developers to concentrate on one object environment and then use the best objects from any of the different environments to build applications." That's because the Windows-based Object Bridge supports Microsoft's Common Object Model (COM), IBM's Systems Object Model (SOM), and the Common Object Request Broker Architecture (CORBA) from the Object Management Group. The Windows Object Bridge DLL will cost from $100 to $200.

Visual Edge

No choosing: Object Bridge takes all comers.

Bob Garron, VP at New York investment house Smith Barney Inc., says that Object Bridge gives them more time to choose an object environment. "I don't have to make quick decisions about which object environment is the best strategic choice for our development efforts," he says.

—Katherine Bull

EDS Outsourcing Deal Has Moore

Companies exchange 10-year services pacts

IT'S NICE TO do business with friends. On Sept. 26, EDS awarded Moore Corp. a 10-year contract worth $500 million to $1 billion for print management and information handling services. At the same time, Moore awarded EDS a 10-year outsourcing contract worth between $400 million and $700 million. Both companies say the deals are independent of each other.

The pacts between EDS, the $8.6 billion systems integration unit of General Motors Corp., and Moore, a $2.3 billion business forms company, formalizes and expands their existing relationship. Moore already provides business forms to General Motors Corp., the parent of EDS. And EDS Management Consulting has worked with Moore for the past year, plotting a way to increase the company's capabilities for offering electronic business forms management. The outsourcing contract calls for EDS to migrate Moore from a mainframe computer-based infrastructure to client-server technology in order to support the company's expansion of electronic services offerings. *—Bruce Caldwell*

Compaq Backs UnixWare

Will bundle Novell system with SmartStart

NOVELL INC.'S slow-selling UnixWare operating system has landed a powerful backer: Compaq Computer Corp. Novell sources say Compaq will include UnixWare 2.0 later this year in "SmartStart," a CD-ROM comprising several operating systems—including Novell NetWare, Microsoft Windows NT, and IBM OS/2—and offered with Compaq's server line. UnixWare 2.0, a multiprocessor upgrade to the current UnixWare 1.1, is slated to ship by year's end. As of last year, Novell had sold less than 50,000 copies of UnixWare. Don McGovern, VP of Novell's UnixWare Systems Group, won't discuss recent sales figures. Contrary to some printed reports, McGovern says Novell is continuing to develop UnixWare Personal Edition, which runs on high-end Intel workstations. Meanwhile, Compaq, Unisys, Informix, and more than 20 other vendors on Sept. 27 announced their support for Novell Inc.'s UnixWare Branding Program, a carbon copy of Novell's popular "Yes . . . it works with NetWare" logo.

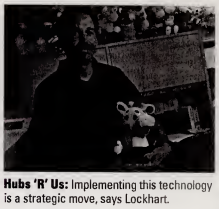
—Joseph C. Panettieri

Toys 'R' Us Springs For Hubs

Five-year, $10M contract signed with SynOptics

GEOFFREY GIRAFFE'S ubiquitous smile today is for SynOptics Communications Inc., which is to announce on Oct. 3 that it won a five-year, $10 million contract to supply Toys 'R' Us with more than 600 intelligent hubs as part of the retail chain's nationwide network upgrade program. According to Rochelle Park, N.J.-based Toys 'R' Us, the upgrade will mean installing a local area network in every store to support a total of 30,000 users throughout the company's 581 U.S. retail locations, corporate headquarters, data centers, and distribution facilities.

"The decision to implement networking technology is very strategic because it has to be done on such a large scale," says David Lockhart, director of systems integration for Toys 'R' Us. The chain is using SynOptics' Lattis System 2000SA line of workgroup Ethernet hubs. It will also put multiple Lattis System 5000 network center hubs in its distribution and data centers. *—Caryn Gillooly*



Hubs 'R' Us: Implementing this technology is a strategic move, says Lockhart.

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING
(User Questionnaire)

Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☐ Vendor ☐ Telephone

☐ User ☐ On-Site

☐ Other ☐ Mail

Interviewer Initials ☐☐☐

Interview Date ☐☐|☐☐|☐☐

QC Initials ☐☐☐

QC Date ☐☐|☐☐|☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐|☐☐|☐☐

Company: _____ Company Type: _____

Address: _____ Sales: _____

_____ # Employees: _____

_____

City/State/Zip _____

Main Telephone: ___/_____ Fax: ___/_____

Respondent(s):

Name	Title	Telephone/Extension

Referrals:

_____

_____

Industry (User Interviews only):

☐ Discrete Mfg.
☐ Process Mfg.
☐ Transportation
☐ Utilities
☐ Communications
☐ Retail
☐ Wholesale
☐ Banking/Finance
☐ Insurance
☐ Medical
☐ Services
☐ Education
☐ Federal Government
☐ State & Local Government
☐ Consumer/Home
☐ Other Industry specific
☐ Cross Industry

Comments:

_____

_____

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre**. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Identification of Respondent

Q1a. Who in your organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services? Please provide the name and position. *(Multiple responses expected)*

- ❑ IS Central Personnel .....
- ❑ User department Personnel .....
- ❑ Third Party Vendor .....

Q1b. Could you please describe the decision making process related to purchasing laser printer related products and services?

.....
.....
.....

Q2. May I confirm some details about your current laser printing operations?

a) What is the hardware installed?

Vendor	Model No.	No. of Units
IBM		
Rank Xerox		
SNI		
Other (define)		

b) What is your total print volume per week/day?

.....

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ❑ No ❑

d) What are these applications and why are they critical?

.....
.....
.....

Q3. Are printing operations becoming more or less critical to the organisation?

.....

If not a large installation with no critical applications end the interview at this point.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

.....
.....
.....

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot for lack of capital, staffing, skill problems etc.?

Yes ❑ No ❑

What are they?

.....
.....
.....

Q5b. For example, is your current print budget sufficient to meet the needs placed on this part of the operation?

.....
.....

Q5c. What are the typical key problems that you encounter in the day to day management of your print operations?

.....
.....
.....

Q6. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality/security etc.?

.....
.....

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

.....
.....

Q8. If little change, why is this?

.....
.....

Q9. What is your level of interest in using other technologies to cut down on your print volume, for example, using such technologies as these: (Please rate 1-5, 1 = low, 5 = high)

Document Image Management Systems	1 2 3 4 5
Report Distribution Systems	1 2 3 4 5
Forms Design Software	1 2 3 4 5
Other (Please define)	1 2 3 4 5

.....

Attitudes to Services

Q10. What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

Data Analysis/Data Base Design	1___2___3___4___5
Use of Composition Software	1___2___3___4___5
Printing Design (Business Forms)	1___2___3___4___5
Finishing (Guillotining, folding Lamination, Hole punching)	1___2___3___4___5
Mail sort, postal rebate and despatch	1___2___3___4___5
Electronic delivery of information to replace paper	1___2___3___4___5
Others (Please define)	1___2___3___4___5
.....	1___2___3___4___5
.....	1___2___3___4___5

Q11. Is there any outsourcing for any aspects of your IT functions, if so what are they?

.....
.....

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

.....
.....

Q13. Do you use the same vendors for these different aspects of your operations? Who are your suppliers?

.....
.....

Q14a. What benefits would/do you expect to achieve through outsourcing?

.....
.....

Q14b. If you are not outsourcing now, what might make you change that decision in the future?

.....
.....

Q15. Are there any particularly critical applications that you would consider outsourcing the print operation for?

.....
.....

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ❑ No ❑

Q16b. Why/Why not?

.....
.....

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

.....
.....

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ❑ Many ❑

Why?

.....
.....
.....

Q19. How soon do you anticipate using such services?

.....
.....

Q20. Who do you perceive to be the most important vendors with regard to:

Printing technology?

.....
.....

Systems operations (FM) etc?

.....
.....

Q21. What would be the three most important reasons for your company to use an outside services provider?

1.....
2.....
3.....

Q22. What would be your principal selection criteria for selecting an outsourcing print vendor? (Please rate 1-5, 1 = low, 5 = high)

Reputation	1___2___3___4___5
Experience	1___2___3___4___5
Technology	1___2___3___4___5
Organisational strength	1___2___3___4___5
Cost/price	1___2___3___4___5
Contractual terms and conditions	1___2___3___4___5
Security	1___2___3___4___5
Quality of vendor personnel	1___2___3___4___5
Quality of service	1___2___3___4___5
Size of vendor	1___2___3___4___5
Vendor's geographic coverage	1___2___3___4___5

Prior experience in your organisation	1 2 3 4 5
Ability to supply H/w and S/w as well as services	1 2 3 4 5
Application and industry knowledge	1 2 3 4 5
Other (please define)	1 2 3 4 5

Q23. What is the most suitable type of vendor?

Hardware manufacturer	❑
Print Bureau	❑
Outsourcing company etc.	❑
Other (Please define)	❑

Q24. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 5
Access to technology	1 2 3 4 5
Difficulties in dealing with technological change/improvement	1 2 3 4 5
Costs	1 2 3 4 5
Other Please define)	1 2 3 4 5

Q25a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ❑ No ❑

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q25b. Would an organisation like that be of interest to you?

Yes ❑ No ❑

If YES, ask the following:

Q25c. What is your general impression of EDOTECH and the services they provide?

.....
.....

Q24d. If no opinion, why not?

.....
.....

Thank You

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an international research and consulting firm. We are conducting a study on the area of print operations associated with large computer applications. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g.. for billing, payroll, marketing communications etc. do not appear to be going away. However, user organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness etc., whilst at the same time keeping their associated costs well under control. Does this situation present opportunities for vendors?

Q1. I would like to start off by asking you about the different types of printing services /equipment etc. that your organisation currently provides?

Equipment
Software products
Services
- Maintenance
- Management (Professional)
- Facilities Management
- other (please define)

a). Do you expect to be making any specific changes in these product/service areas in the immediate or medium term future?

b). Do you partner with any organisations in order to extend your range of capabilities?

c). Are there any synergies between your printing related products and services and other aspects of your business?

Q2. Who do you consider to be your main competitors in the areas that you have identified?

a). What do you consider to be your principal competitor's comparative strengths and weaknesses - can these be typified by vendor category e.g. services firm, equipment supplier, print industry firm etc.

e.g., technology knowledge and experience, product delivery, maintenance, other services etc.

b). What in your opinion are the main criteria by which clients select vendors in this sector?

c). Are the competitors you have identified different from those in other parts of your business?

Q3. What are the most important/critical applications and industry sectors for large scale printing requirements in your opinion?

Secure printing (e.g. payroll)	Financial Services,
High quality external documents	Insurance,
Internal documents	Utilities,
Other (please define)	Local Government
	Central Government

a). What changes do you anticipate in these in the future?

b). In which areas will printing become more or less critical to the business ?

Q4. .How big do you consider the markets are (in the UK) for the printing services that you have identified?
How fast are they growing?

Q5. What are the main changes that you expect to occur in these markets over the next few years? (If not, please explain why you think there will be no change?)

a). Opportunities

b) .Threats (e.g. electronic *paperless* forms, document image management)

For applications see Q3.

Q6. In which areas do you perceive that customers are facing the biggest problems/challenges?

e.g. quality, deadlines for business critical documents, staffing, skills, technology, economising on capital etc.

a). Do you see any opportunity here for providing full outsourcing services for the print shop?

b) .What do you think are potential drivers (client benefits) and inhibitors for or against outsourcing printing functions?

Q7. Which customer/client interfaces are most important to your business development?

a). Do you perceive any changes happening in this area in the foreseeable future?

Q8. What are the most important skills/capabilities/facilities that you need in your organisation to meet future customer needs?

a) .What are going to be the specific requirements for success in the future market?

Skills

Technology

Facilities

Q9. Are there any interesting client sites that you can give as examples of new directions in print services?

Q10. Are there any other aspects of the large scale printing business that we have not covered which you think are important?

Thank you

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- ☐ Software products
- ☐ Services
    - ☐ Maintenance
    - ☐ Management (Professional)
    - ☐ Facilities Management
    - ☐ Other (please define)

a) Do you expect to be making any specific changes in these product/service areas in the immediate or medium term future?

b) Do you partner with any organisations in order to extend your range of capabilities?

c) Are there any synergies between your printing related products and services and other aspects of your business?

Q2. Who do you consider to be your main competitors in the areas that you have identified?

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e.g., technology knowledge and experience, product delivery, maintenance, other services etc.

b) What in your opinion are the main criteria by which clients select vendors in this sector?

c) Are the competitors you have identified different from those in other parts of your business?

Q3. What, in your opinion, are the most important/critical applications and industry sectors for large scale printing requirements ?

- ☐ Secure printing (e.g. payroll)
- ☐ High quality external documents
- ☐ Internal documents
- ☐ Other (please define)

- ☐ Financial Services
- ☐ Insurance
- ☐ Utilities
- ☐ Local Government
- ☐ Central Government

a) What changes do you anticipate in these in the future?

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Technology

Facilities

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Q10. Are there any other aspects of the large scale printing business that we have not covered which you think are important?

Thank you

VENDOR QA.

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: _____ Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☐ Vendor ☐ Telephone

☐ User ☐ On-Site

☐ Other ☐ Mail

Interviewer Initials ☐☐☐

Interview Date ☐☐|☐☐|☐☐

QC Initials ☐☐☐

QC Date ☐☐|☐☐|☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐|☐☐|☐☐

Company: _____ Company Type: _____

Address: _____ Sales: _____

_____ # Employees: _____

_____

City/State/Zip _____

Main Telephone: ___/_____ Fax: ___/_____

Respondent(s):

Name	Title	Telephone/Extension

Referrals:

_____

_____

Industry (User Interviews only):

☐ Discrete Mfg.
☐ Process Mfg.
☐ Transportation
☐ Utilities
☐ Communications
☐ Retail
☐ Wholesale
☐ Banking/Finance
☐ Insurance
☐ Medical
☐ Services
☐ Education
☐ Federal Government
☐ State & Local Government
☐ Consumer/Home
☐ Other Industry specific
☐ Cross Industry

Comments:

_____

_____

(Karen Seymour.

INPUT

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☐ MAIL LIST - SEE BACK

CONTACT REPORT

Non Client/Prospect File: ☐ Media ☐ Financial ☐ Other _____

Contact Date: 23 / 08 / 94

INPUT Staff: Init. MX Init. MX ☐ INPUT office ☐ Client Office ☐ Other _____

Date Written: 23 / 08 / 94

		DISTRIBUTION:			Prog./Proj. ID _____
Company	BCO	Action	Info.	By When	Describe Action-F/U
Name	Ross Clarkson	P.L			He will call
Title	Barclays				after lunch.
Address	Karen Seymour Wyman				
		Marilyn			
Phone: ( )	623-3001 x6604				
Fax: ( )	-				

meeting went well in the end - - -

- Use Targets - -
- ~~Pull~~ ↕ FM not emphasis

concern too

☐ Continued over

M&S 300/01 6/94 (R)

Mail List Change Order ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

U.S. COMMERCIAL

1. TYPE ☐ Vendor ☐ User ☐ Investor / Financial ☐ Media / Press ☐ Other ☐ EDI Newsletter

2. LEVEL ☐ Executive ☐ Manager ☐ Analyst ☐ Acquisition ☐ International ☐ Other

3. INTERESTS ☐ C/S ☐ Computer Systems ☐ Networks ☐ EC ☐ Information Services —
- ☐ Software Products
- ☐ Professional Services, SI
- ☐ Outsourcing, Processing, Network Services

☐ EIS / CIS / Multimedia ☐ Other

☐ Industry _____

U.S. FEDERAL ☐ MMAR ☐ FPAP ☐ FPAW ☐ FPFA ☐ Other

EUROPE ☐ CSPR ☐ MAAP ☐ MSSP ☐ MVPP ☐ BIPR ☐ OSPR ☐ U.S.A. ☐ Other

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT Continuation

Company _____

Name _____

M&S 310 R 6/94

INPUT

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CONTACT REPORT

☐ MAIL LIST - SEE BACK

Non Client/Prospect File: ☐ Media ☐ Financial ☐ Other _____

Contact Date: 7 / 9 / 94

INPUT Staff: Init. MX Init. MX ☐ INPUT office ☐ Client Office ☐ Other _____

Date Written: 7 / 9 / 94

	DISTRIBUTION:			Prog./Proj. ID _____
	Action	Info.	By When	Describe Action-F/U
Company ASHBURNHAM GROUP	P.L			Re: Barclays
Name Ken Jamesen.				Computer
Title				Operations
Address 8, BROOK BUSINESS PARK				
COWLEY, MILL ROAD, UXBRIDGE UB8 2FX				
Phone: (0895) 813898				
Fax: ( )				

- Spoke on 12.09.94 — agreed to meet after Oct 10th. He is non-exec director of EDOTECH.
- meton 12.12

☐ Continued over

Mail List Change Order ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

U.S. COMMERCIAL

1. TYPE ☐ Vendor ☐ User ☐ Investor / Financial ☐ Media / Press ☐ Other ☐ EDI Newsletter

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☐ EIS / CIS / Multimedia ☐ Other
- ☐ Software Products
- ☐ Professional Services, SI
- ☐ Outsourcing, Processing, Network Services

☐ Industry _____

U.S. FEDERAL ☐ MMAR ☐ FPAP ☐ FPAW ☐ FPFA ☐ Other

EUROPE ☐ CSPR ☐ MAAP ☐ MSSP ☐ MVPP ☐ BIPR ☐ OSPR ☐ U.S.A. ☐ Other

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT
Continuation

Company _____

Name _____

M&S 310 R 6/94

INPUT

CONFIDENTIAL—Property of INPUT

CONTACT REPORT

Contact Date: 30/06/94

INPUT Staff: Init. PL Init. _____ ☐ INPUT office ☑ Client Office ☐ Other _____ Date Written: 30/06/94

Company

IBM

Marketing

Nick Marsden
~~Sales~~ Manager
Printing Business
GBIBMZQJ at IBMMAIL

IBM United Kingdom Limited
PO Box 117, Mountbatten House
Basing View, Basingstoke
Hampshire RG21 1EJ
Telephone: 0256 343000
Direct Line: 0256 343917
Facsimile No: 0256 479366
Car Phone: 0850 721224

DISTRIBUTION:

Prog./Proj. ID _____

Action	Info.	By When	Describe Action-F/U

MET WITH ROSS CLARKSON FOR BCO CONTRACT
WILL NEED TO INTERVIEW NICK MARSDEN OF IBM.

☐ Continued over

Mail List Change Order 1. ☐ Update ☐ Correction ☐ Deletion ☐ Addition* Serial Number_____

2. **Customer Type:** ☐ Vendor ☐ Others ☐ Media ☐ User

3. **Newsletters:** ☐ EDI ☐ Field Service ☐ Other

4. **Vendor:** Vendor Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Contact Level— ☐ Executive ☐ Acquisition ☐ International ☐ Other
- If Exec. or Other Contact Level— ☐ Maintenance ☐ Equipment ☐ Communications ☐ Others ☐ Info. Svc.
- If Info. Services— ☐ Turnkey & Software ☐ Network & Processing ☐ Systems Integration ☐ Professional Svc.

5. **If User:** User Type— ☐ Client ☐ Former/Report Client ☐ Prospect

- Comm. Contact Level— ☐ Executive ☐ IS Mgmt. ☐ Other
- Fed. Contact Level— ☐ Executive ☐ Acquisition ☐ Prog. ☐ Manager/Technical ☐ Other
- If Fed. Executive— ☐ Info. Resource Mgr. ☐ Asst. Secretary ☐ Commander (Military) ☐ Agency Head
- If Fed. Other— ☐ Laboratory ☐ NIS ☐ Users ☐ GSA

* No names will be added without a completed change order and program manager approval.

Program Manager Authorization _____

CONTACT REPORT Continuation

Company _____

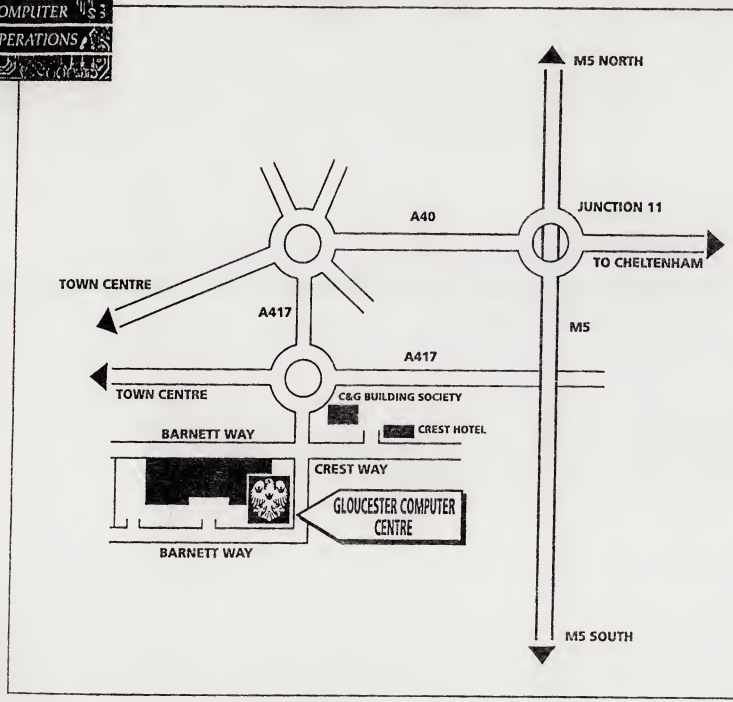
Name _____

M&S 310 11/90

BCO.PROJECT MAGNT TEL No.071-9294080+2307 071 9294080+2307 16 Aug 94 12:18 No.002 P.02

BARCLAYS COMPUTER OPERATIONS

Gloucester Computer Centre, Barnett Way, Barnwood, Gloucester GL4 7RU. Telephone: (0452) 617011.



BY ROAD

Leave M5 at Junction 11 and take A40 towards Gloucester. At the first roundabout, take the A417 signposted Cirencester. At the second roundabout take the second exit, Barnett Way

BY RAIL

NEAREST MAIN LINE STATION
Gloucester Tel: 0452 529501 (3 miles)

BY AIR

NEAREST AIRPORT
Bristol (35 miles)
Handles International Flights
Tel: 0275 474444

The Market Opportunity for Print Outsourcing

A Market Research Study for Barclays Computer Operations 12.12.94

INPUT

Laser Print Outsourcing

- Realistic market assessment vital
- Unique positioning via business operations essential
- Creation of direct market channel required

INPUT

High Volume Laser Printing Services Opportunity for Edotech

- Total market estimated at £45 m 1994
- Positioning emphasises buyer values
  -Business process capability
  -Operations, facilities, software technology
- High calibre sales cadre supports relationship business

INPUT

High Volume Laser Printing Outsourcing Market - 1994

- £40 m spent on hardware
- Services spending £120 m
- £240 m spent on operations
- Total expenditure pa £400 m
  -£80 m within data centre outsourcing
- Outsourcing potential £10 m

INPUT

Business Critical High Volume Laser Printing

- Direct mail total expenditure £980 m 1994
- 15% laser printing
- Growing at 15% per annum
- Contracted service potential 15-20% indicates £25 m

INPUT

User Awareness of Edotech

- 40% of users aware of Edotech
- 30% would possibly be open to an approach
- 6% would definitely consider

INPUT

User Perception of Key Vendor Characteristics

- Costs
- Skills capability
- Access to technology
- Change and improvement agent

INPUT

Marketing Channel Approaches

- Account managers and new business executives
- Business application focused account strategies
- Outsourcing to outsourcers

INPUT

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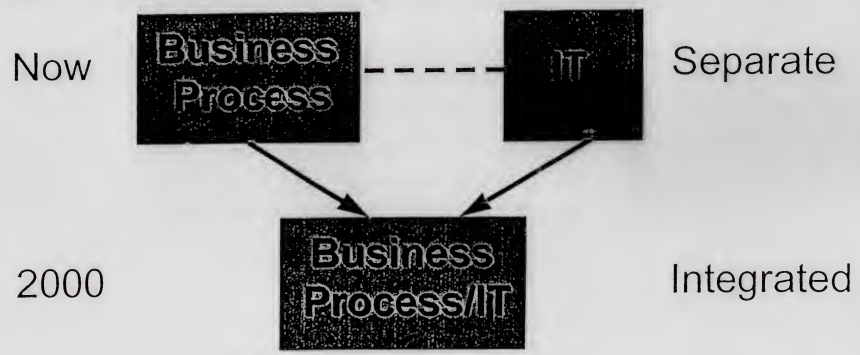
INPUT

Integration of IT and Business Processes



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INPUT

(normal cover sheet is assumed)

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an international research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre.**

The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

Background notes for interviewer:

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away in the medium term. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc. , whilst at the same time keeping their associated costs well under control.

Identification of respondent.

Q1a. Who in your Information Systems or data centre organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services (please name position)? *(multiple responses expected)*

- ☐ IS central personnel _____
- ☐ User department personnel _____
- ☐ Third party vendor _____

_____
_____

Q1b. Could you please describe the decision making process related to laser printer related products and services?

_____
_____

Q2. Could I just confirm some details about your current laser printing operations?

a) What is the h/w installation?

Vendor	Model #	No. of units.
IBM_____	_____	_____
SNI_____	_____	_____
Rank Xerox_____	_____	_____
Other (define)____	_____	_____

b) What is your total print volume per week/day?

Please define _____

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☐ No ☐

d) What are these applications and why are they critical?

_____

_____

_____

Q3. Are printing operations becoming more or less critical to the organisation?

_____
_____
_____

If not a large installation with no critical applications, end interview.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot do for lack of capital, staffing skill problems etc.?

What are they?

Q5b. For example, is your current print budget sufficient to meet the needs placed upon this part of the operation?

Q5c. What are the typical key problems that you encounter in the day to day management of your print operations.

Q6 Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality /security etc.?

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

_____
_____

Q8. If little change why is this?

_____
_____

Q9. What is your level of interest in using other technologies to cut down on your printing volume, for example, using such technologies as(1=low to 5= high)?:

Document Image Management systems ☐
Report Distribution Systems ☐
Forms Design Software ☐
Other (please define) _____ ☐

_____
_____

Attitudes to Services

Q10. What is your level of interest in the following print related services (1=low to 5= high)?

Data Analysis/data base design ☐
Use of Composition Software ☐
Printing design (business forms) ☐
Finishing (guillotining, folding, lamination, hole punching) ☐
Mail sort, postal rebate and despatch ☐
Electronic delivery of information to replace paper ☐
Others (please define) _____ ☐
_____ ☐
_____ ☐
_____ ☐

_____
_____

Q11. Is there any outsourcing for any aspects of your IT functions, if so what?

_____
_____

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations.

_____
_____

Q13. Do you use the same vendors for these different aspects of your operations? Who are your principal suppliers?

_____
_____

Q14a. What benefits would you expect to achieve through outsourcing?

_____
_____

Q14b. If not now what might make a change to that decision in the future?

_____
_____

Q15. Are there any particularly critical applications that you would consider outsourcing the print application for?

_____
_____

Q16a.Would you consider outsourcing the whole of your print and finishing operations?

Yes ☐ No ☐

Q16b.Why/why not?

_____
_____

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

_____
_____

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☐ Many ☐

Why?

_____
_____
_____

Q19. How soon do you anticipate using such services ?

_____
_____

Vendor selection criteria

Q20. Who do you perceive to be the most important vendors with regard to the following:

Printing technology?

_____

_____

Systems operations
(FM)etc._____

_____

Q21. What would be the three most important reasons for your company to use an outside services provider?

1. _____
2. _____
3. _____

_____
_____

Q22. How would you rate the importance of the following criteria, on a scale of 1 to 5, in selecting external vendors for your organisation?

Reputation ☐
Experience ☐
Technology ☐
Organisational strength ☐
Cost/price ☐
Contractual terms and conditions ☐

Quality of vendor personnel ☐
Quality of service ☐
Size of vendor ☐
Vendor's geographic coverage ☐
Prior experience in your organisation ☐
Ability to supply h/w and s/w as well as services ☐
Application and industry knowledge ☐
Other (please define) _____ ☐
_____ ☐

Q23 What is the most suitable type of vendor?

Hardware manufacturer ☐ _____
Print bureau ☐ _____
Outsourcing company ☐ _____
Other (please define) ☐ _____

Q23. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale):

Skills availability ☐
Access to technology ☐
Difficulties in dealing with technological change /improvement ☐
Costs ☐
Other (please define) _____ ☐

Q24a. Finally I would like to ask you whether you have heard of EDOTECH? Yes ☐ No ☐

If NO, explain that the company is an alliance between Barclays Computer Operations and IBM to provide printing related outsourcing services.

Q24b.Would an organisation like that be of interest to you?

_____

If YES, ask the following:

Q24c.What is your general impression of EDOTECH and the services they provide?

_____
_____

Q24d.If no opinion , why not?

_____
_____

Thank You

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an international research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of printing operations associated with substantial computer applications.

The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

Q1. Who in your organisation deals with buying from external vendors providing printing equipment, supplies and services?

IS central personnel
user department personnel
third party vendor

(Identify additional people who could be interviewed within the organisation)

Q2. Could I first confirm some details about your current printing operations?

a) What is the h/w installation?

Vendor	Model #	Number
IBM_____	_____	_____
SNI_____	_____	_____
Rank Xerox_____	_____	_____
Other (define)____	_____	_____

b) What is your total print volume per week/day? _____

c) Would you describe the printing applications as particularly critical to your organisation?

Yes No

d) What are these applications and why are they critical?

_____
_____
_____

If not large installation with no critical applications, end interview.

Q3. Are printing operations becoming more or less critical to the organisation?

_____
_____
_____

Q10. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

Q12. Are there any facilities or improvements that you would like to implement in the print operation but cannot do for lack of capital, staffing skill problems etc.? What are they?

Is your current print budget sufficient to meet the needs placed upon this part of the operation?

Q9. Are you going to use other technologies to cut down on your printing activity, for example, using such technologies as Document Image Management systems, Report Distribution systems?

Q Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality /security etc.

What are the typical key problems that you encounter in the day to day management of your print operations.

What kinds of changes in the print demand are you expecting in your organisation?

If little change why is this?

Q What print related services would you like to use?

Data Analysis/data base design
Printing design (business forms)

Finishing (guillotining, folding, lamination, hole punching)
Mail sort, postal rebate and despatch

Attitudes to outsourcing

Q The computer operations in general e.g. is there any outsourcing for other aspects of IT?

Q Are there any significant differences between the way you manage the data centre and the way you manage printing operations.

Do you use the same vendors for these different aspects of your operations? Who are your principal suppliers?

Q5. Are there any particularly critical applications that you would consider outsourcing the print application for?

a)What benefits would you expect to achieve through outsourcing?

b)If not now what might make a change to that decision in the future?

Q Would you consider outsourcing the whole of your print and finishing operations?

Yes No

Why/why not?

Q11. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

How soon do you anticipate using such services ?

Q13. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One μ Many

Why?

_____
_____

_____

Vendor selection criteria

Q3. Who do you perceive to be the most important vendors with regard to:

Printing technology? _____

_____

Systems operations
(FM)etc._____

_____

Q4. Who is responsible in your organisation for decisions relating to printing?

Q What would be the three most important reasons for your company to use an outside services provider?

1. _____
2. _____
3. _____

Q How would you rate the importance of the following criteria, on a scale of 1 to 5 in selecting external vendors for your organisation?

Reputation
Experience
Technology
Organisational strength
Cost/price
Contractual terms and conditions

Quality of vendor personnel
Quality of service
Size of vendor
Vendor's geographic coverage
Prior experience in your organisation
Ability to supply h/w and s/w as well as services
Application and industry knowledge
Other (please define)

Single or a number of specialist vendors?

Q15 What is the most suitable type of vendor?

Hardware manufacturer
Print bureau
Outsourcing company
Other (please define) _____

How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale)

Skills availability _____
Access to technology _____
Difficulties in dealing with technological change /improvement _____
Costs _____
Other (please define) _____ _____

Q Finally I would like to ask you whether you have heard of EDOTECH? Yes No

If NO, explain that the company is a joint venture between Barclays Computer Operations and IBM to provide printing related outsourcing services.

If YES, ask the following:

What is your general impression of EDOTECH and the services they provide?

If no opinion , why not?

Thank You

Q7. What products and services are provided by whom?

Q8. What roles would you expect the in-house staff to cover in relation to managing the use of external vendors to provide print services?

IS central personnel
End user personnel
Third party vendor

Vendor selection criteria.

Suitability of different types of vendor e.g.. equipment/product firm vendor professional services firm, outsourcing company etc.

Principal applications

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

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The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Q1. Could you first of all give me some details about your current printing operations?

a) What is the hardware installation?

b) What are the applications?

c) The computer operations in general e.g. is there any outsourcing for other aspects of IT?

d) Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

e) Do you use the same suppliers for these different aspects of your operations?

WHO ARE YOUR PRINCIPAL SUPPLIERS?

Q2. What are the critical print applications/operations in your organisation?

Are printing operations becoming more or less critical to the organisation?

Q3. Who do you perceive to be the most important vendors with regard to:

Printing technology?

Systems operations (FM) etc?

Q4. Who is responsible in your organisation for decisions relating to printing?

Q5. Are there any particularly critical applications that you would consider outsourcing the print application for? (For example, invoicing, payroll, revenue collection/bank payment, investment statements).

b) What benefits would you expect to achieve through outsourcing?

c) If not now what might make a change to that decision in the future?

Q6 a) Would you consider outsourcing the whole of your print and finishing services?

Y N (circle as appropriate)

b) Why/Why not?

c) What would be your principal selection criteria for selecting an outsourcing print vendor?

Unprompted on a 1 to 5 scale

Reputation	1 2 3 4 5
Experience	1 2 3 4 5
Technology	1 2 3 4 5
Organisational strength	1 2 3 4 5
Cost/price	1 2 3 4 5
Contractual terms and conditions	1 2 3 4 5
Security	1 2 3 4 5
Quality of vendor personnel	1 2 3 4 5
Quality of service	1 2 3 4 5
Size of vendor	1 2 3 4 5
Vendor's geographic coverage	1 2 3 4 5
Prior experience in your organisation	1 2 3 4 5
Ability to supply H/w and S/w as well as services	1 2 3 4 5
Application and industry knowledge	1 2 3 4 5
Other (please define)	1 2 3 4 5
Single or a number of specialist vendors?	1 2 3 4 5

Q7. What products and services are provided by whom?

Q8. Who in your organisation deals with buying from external vendors providing print services?

- ☐ IS central personnel
- ☐ End user personnel
- ☐ Third party vendor

Q9. Are you going to use other technologies to cut down on your printing activity for example, such technologies as Document Image Management systems, Report Distribution Systems?

Q10. In relation to your current printing operations what areas are you most satisfied with and with what areas do you have problems?

Q 56 repeated

Q11. What do you consider/anticipate are/would be the most significant benefits of using outsourcing for print operations?

How soon do you anticipate using such services ?

Q12. Are there any facilities or improvements that you would like to implement in the print operation but cannot do for lack of capital, staffing skill problems etc.? What are they?

Q13. For print operations would you rather hand the job to one firm or use an number of outside vendors to perform specialist roles?

One Many (circle as appropriate)

Why?

Q14. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality /security etc.

Q15. **Vendor selection criteria.**

a) What would be the three most important reasons for your company to use an outside services provider?

b) What is the most suitable type of vendor

- ☐ Hardware manufacturer
- ☐ Print Bureau
- ☐ Outsourcing company etc.

c) How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale)

d)	Skills availability	1 2 3 4 5
	Access to technology	1 2 3 4 5
	Difficulties in dealing with technological change/improvement	1 2 3 4 5
	Costs	1 2 3 4 5
	Other	1 2 3 4 5

Q16. **Principal issues**

a) What are the typical key problems that you encounter in the day to day management of your print operations.

b) What kinds of changes in the print demand are you expecting in your organisation?

c) If little change why is this?

Q12 d) Is your current print budget sufficient to meet the needs placed upon this part of the operation?

e) What print related services would you like to use?

- ❑ Data Analysis/Data Base design
- ❑ Printing Design (Business Forms)
- ❑ Finishing (guillotining, folding, lamination, hole punching)
- ❑ Mail sort, Postal Rebate and Despatch

Q17. Have you heard of EDOTECH? Y N (circle appropriate)

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

If YES, ask the following:

a) What is your understanding of EDOTECH's services?

b) If no understanding, why not?

Thank You

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☐ Vendor ☐ Telephone
☑ User ☐ On-Site
☐ Other ☐ Mail

Interviewer Initials ☐☐☐
Interview Date ☐☐|☐☐|☐☐
QC Initials ☐☐☐
QC Date ☐☐|☐☐|☐☐
Data Entry Initials ☐☐☐
Data Entry Date ☐☐|☐☐|☐☐

Company: _____ Company Type: _____

Address: _____ Sales: _____

_____ # Employees: _____

_____

City/State/Zip _____

Main Telephone: ___/_____ Fax: ___/_____

Respondent(s):

Name	Title	Telephone/Extension

Referrals:

_____

_____

Industry (User Interviews only):

☐ Discrete Mfg.
☐ Process Mfg.
☐ Transportation
☐ Utilities
☐ Communications
☐ Retail
☐ Wholesale
☐ Banking/Finance
☐ Insurance
☐ Medical
☐ Services
☐ Education
☐ Federal Government
☐ State & Local Government
☐ Consumer/Home
☐ Other Industry specific
☐ Cross Industry

Comments:

_____

_____

User Questionnaire (YNB1)

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Ql. Could you first of all give me some details about your current printing operations?

a) What is the hardware installation?

b) What are the applications?

c) The computer operations in general e.g. is there any outsourcing for other aspects of IT?

d) Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

e) Do you use the same suppliers for these different aspects of your operations?

Q2. What are the critical print applications/operations in your organisation?

Are printing operations becoming more or less critical to the organisation?

Q3. Who do you perceive to be the most important vendors with regard to:

Printing technology?

Systems operations (FM) etc?

Q4. Who is responsible in your organisation for decisions relating to printing?

Q5. Are there any particularly critical applications that you would consider outsourcing the print application for? (For example, invoicing, payroll, revenue collection/bank payment, investment statements).

b) What benefits would you expect to achieve through outsourcing?

c) If not now what might make a change to that decision in the future?

Q6. Would you consider outsourcing the whole of your print and finishing services?

Y N (circle as appropriate)

b) Why/Why not?

c) What would be your principal selection criteria for selecting an outsourcing print vendor?

Unprompted on a 1 to 5 scale

Reputation	1___2___3___4___5
Experience	1___2___3___4___5
Technology	1___2___3___4___5
Organisational strength	1___2___3___4___5
Cost/price	1___2___3___4___5
Contractual terms and conditions	1___2___3___4___5
Security	1___2___3___4___5
Quality of vendor personnel	1___2___3___4___5
Quality of service	1___2___3___4___5
Size of vendor	1___2___3___4___5
Vendor's geographic coverage	1___2___3___4___5
Prior experience in your organisation	1___2___3___4___5
Ability to supply H/w and S/w as well as services	1___2___3___4___5
Application and industry knowledge	1___2___3___4___5
Other (please define)	1___2___3___4___5
Single or a number of specialist vendors?	1___2___3___4___5

Q7. What products and services are provided by whom?

Q8. Who in your organisation deals with buying from external vendors providing print services?

- ☐ IS central personnel
- ☐ End user personnel
- ☐ Third party vendor

Q9. Are you going to use other technologies to cut down on your printing activity for example, such technologies as Document Image Management systems, Report Distribution Systems?

Q10. In relation to your current printing operations what areas are you most satisfied with and with what areas do you have problems?

Q11. What do you consider/anticipate are/would be the most significant benefits of using outsourcing for print operations?

How soon do you anticipate using such services ?

Ql2. Are there any facilities or improvements that you would like to implement in the print operation but cannot do for lack of capital, staffing skill problems etc.? What are they?

Q13. For print operations would you rather hand the job to one firm or use an number of outside vendors to perform specialist roles?

One Many (circle as appropriate)

Why?

Q14. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality /security etc.

Q15. **Vendor selection criteria.**

a) What would be the three most important reasons for your company to use an outside services provider?

b) What is the most suitable type of vendor

- ❑ Hardware manufacturer
- ❑ Print Bureau
- ❑ Outsourcing company etc.

c) How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale)

d)

Skills availability	1 2 3 4 5
Access to technology	1 2 3 4 5
Difficulties in dealing with technological change/improvement	1 2 3 4 5
Costs	1 2 3 4 5
Other	1 2 3 4 5

Q16. **Principal issues**

a) What are the typical key problems that you encounter in the day to day management of your print operations.

b) What kinds of changes in the print demand are you expecting in your organisation?

c) If little change why is this?

d) Is your current print budget sufficient to meet the needs placed upon this part of the operation?

e) What print related services would you like to use?

- ❑ Data Analysis/Data Base design
- ❑ Printing Design (Business Forms)
- ❑ Finishing (guillotining, folding, lamination, hole punching)
- ❑ Mail sort, Postal Rebate and Despatch

Q17. Have you heard of EDOTECH? Y N (circle appropriate)

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

If YES, ask the following:

a) What is your understanding of EDOTECH's services?

b) If no understanding, why not?

Thank You

Print Outsource Users

02-Sep-94

Name	Contact Made	Appointment Fixed	Interview Complete	Report Complete	Contact Name 1	Telephone Number	Contact Name 2	Telephone Number
Abbey National	1	1	1	1	Donna Morris Laser Print Buy	0908 348061 2pm 1/9/94	Sandra Kilbane Mngr Print D	0908 348309
Airmiles (BA)								
American Express (FDR)	1	1	Mail		Paul Maher	0273 693555	Brian Webb/Joanna Knight	071 834 5555
Barclaycard	1	1	Mail		Marion Reidy	0604 234234	Steph Sanders-Hyde,Susan Stubbs	
Bristol City Council	1	Do not outsource!			Mike Isaacs	0272 222005/222000		
Chase Manhattan Bank	1	1	1	1	Richard Major	0202 342000		
Colleagues DM (Sun Life)	1	1	Fax		Tracey Burchill	0225 447003	Stephanie Stanghon	
Commercial Union					Fiona Trickett	071 283 7500 x28424	Led to Matrix	
Cornhill Insurance	1	1	1	1	Mike Hayward Mktg	0483 68161	Heidi Weiser 2pm Fri 2/9/94	
Empire Stores	1	1	Mail		Catherine Ling Ad&Rec	0274 729544	Fiona Campbell	0274 729544
FDR (vendor +3 user qa's)	1	1	Mail		Barry Brown Clnt Svs	0273 555226		
Friends Provident Life	1		Mail		Peter Bennett DM Mngr	0306 740123 x3424	call 1/9/94	
Heinemann Press								
Kingswood BC						0272 601121		
LB Bromley	1	1	1	1	Lee Elms CFM	081 313 5061	Tony Seaton	081 313 5062 10am 2/9/94
Lloyds Bank	1	1	Mail		Alan Wilde Chq Books	0117 943 3344/2		
Matrix Direct Marketing (CU)	1	1	1	1	Adrian Drake	071 357 0424	Mr Sawkins 9.30 1/9/94	
Meg Rivers Cakes								
Newbury BC						0635 41289; 43891		
Newport South CC						0633 244491		
Northampton BC	1	Do not outsource any more			Trevor Kirby Ops Mngr	0604 236565/63		
P & O Events	1	1	1	1	Victoria Borwick Director	071 370 8324		
PowerGen								
Plessey						0932 847282		
Somerset CC						0823 275573		
Sun Life Assurance Co Ltd	1				John Jolly	0272 426911	Led to Colleagues	
Thames Water					Stephen Shepherd	0734 591159 x 33414	Bob Muzeen	
Tropical Places	1	1	1	1	Jeanette MacDonald	0342 825123		
Wales Gas	1				Helen Drane DB Coord	0222 239290		
Waterfords Dairy								
West Wilts BC					Wilts CC	0373 822294	WWilts DC	0895 212393
Woolworths	1				Trevor Browning CSMx2290	0706 47301	London:Graham Bishop	071 262 1222 x5535
Total	18	13	7	7			Paul Featon x5818 MIS	0374 437053

Briefing Notes BCO Project YNB1 08.08.94

- **Actions for Ross**

- List of Direct-Mail printers
- Tel.# for Kenwick and Jefferson (a printing company)
- Feedback on qas

- Actions for Nick at IBM

- Contact names and telephone #s

- Actions for PL

- List of potential interviewees to Ross
  Arrange appointments with:
  - Sam Ferguson @ Gloucester 0452-617011
  - Nick @ IBM
  - Ken Jamieson @ 0895-813898
- Note forecast #s look low
- Check that user qa contains branding question re EDOTECH and IBM

- Next review meeting August 25th. Final Presentation Sept 14th.

INTERVIEWS.

09.08.94

USERS

- INTERVIEW FOCUS NEEDS TO BE ON REALLY LARGE USERS
  - INSURANCE / UTILITIES
- FILTER ? — HOW BIG ARE YOUR PRINT FACILITIES ?

VENDORS

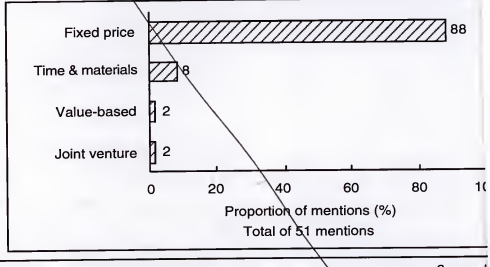
- NOT TO BOTHER WITH INDIGO, etc THIS IS JUST TECHNOLOGY
- BUT WE DO WANT TO TALK WITH XEROX
- TALK TO FDR IF POSSIBLE, AS JUST TAKEN BIG CONTRACT WITH AMEX
- OTHER PROCESSING SERVICES FIRMS
  eg HOSKYNS, SEMA, FCS(?), DATA SCIENCES
  PRINTRONIC (NOT AXIOM)
  MICROGEN
  MICRORITE SYSTEMS LTD
- PRINTING FIRMS
  KENRICK & JEFFERSON
  PAPERFLOW
- DIRECT MAIL FIRMS (MAY BE SUBSET OF PRINTING FIRMS)

Users and IT managers agree on the principal advantages of fixed price pricing mechanisms for large projects. The main advantages of this approach are perceived to be:

- Predictable costs/accurate budgeting
- Ability to make competitive comparisons and obtain value f money
- Ease of procurement and obtaining management appro

Exhibit 2

Pricing Mechanisms Preferred: Large Projects



Source: I

Users perceived the main disadvantages of fixed price pricing t be the possibility of disputes over changes to the specification a a possible drop in vendor commitment should the project start t overrun. On the other hand, the principal concern of IT managers was that the use of fixed price contracts could lead t an over-emphasis on price so that price became dominant in vendor selection.

2. Time and Materials is Most Applicable to Small Projects

Exhibit 3 shows respondents' preferences for pricing small projects valued at less than $500k.

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paylink

PAYROLL SOLUTIONS

As the payroll specialist of Axis Resources, Paylink has a long-established reputation for developing cost-effective bespoke payroll services. Flexibility is the key to our service – flexibility in matching our service exactly to your requirements at the outset and the flexibility to modify this service as your organisational requirements change.

IDEALLY SUITED TO NON-STANDARD PAY STRUCTURES

Our client base ranges from large, blue-chip companies and government organisations to smaller, specialist businesses. Most of them come to us with non-standard payroll needs or complex pay structures. Over thirty years' experience has taught us the importance of understanding a client's business, so our approach is a consultative one.

We start by working with you to define your service needs. The service itself, together with the ongoing support programme, is then developed around the particular work patterns of your organisation and its people management requirements.

FOCUSING ON YOUR PAYROLL NEEDS

We believe a payroll service should match your needs exactly, not force your organisation to fit its mould. So we offer a range of services which allow you to choose the extent of the service you need. With both our traditional batch and on-line offerings you can enjoy the best of both worlds. Our huge processing power is available for the payroll number-crunching functions, so you don't have the financial commitment of maintaining the latest computing technology. Yet you can access and manipulate your payroll files from your office using our powerful Windows™ based PC software.

Our flexible approach to your payroll solution means that both of these options allow integration into your existing information systems. We can interface your payroll with any of your current or future information systems, such as Human Resources or General Ledger, either at the outset or later on as the need arises.

For organisations which need to outsource as much of the payroll responsibility as possible, our third service option provides a fully managed payroll office, with the controls and administration to complement the system solutions. In effect, Paylink will represent your payroll office, with specific Paylink staff assigned to act as your payroll office team.

Paylink services include:

- Batch and on-line solutions
- Windows™ based PC software
- Bespoke Unipay and Uni2000 implementations
- Integrated or interfaced personnel systems
- Interfaces to other business systems
- Total administration

THE LEADING SOFTWARE SOLUTION

Our payroll services are based on the UK's leading range of human resource management solutions from Peterborough Software, which is selected by more than 70% of The Times Top 100 companies. So, if you are among them, the transition to an outsourced service can be very easy indeed. And if you are not, this is a particularly painless opportunity to migrate to the market leader.

BENEFITS TO YOU

Outsourcing your payroll to Paylink makes good economic as well as good strategic sense. Paylink allows a considerable reduction in the administrative burden on your management and technical staff, releasing them for more business critical activities. Keeping up to date with statutory changes will be a problem of the past – we automatically update your systems and notify you of changes by bulletin. We'll also introduce a welcome element of contractual accountability, which outlines the level of service and support you can expect.

An organisation is frequently judged on the image of the documents it publishes. Its formal communications with prospects, clients and staff make that initial impact, which leaves a lasting impression. Outside the organisation, this impression can be as powerful as advertising itself.

insight
PRINTING SOLUTIONS

Insight Printing Solutions brings together a variety of skills to help businesses maximise the benefits available to them from their document systems. Our speciality is working with our clients, understanding their business needs and then providing them with a solution which addresses those specific needs. Once the solution is implemented we continue to work with them so that as their business evolves we can develop document solutions to meet the new demands.

THE PROCESS

Understanding your business and your market place is the first stage. Appreciating the structure of your data and analysing its content in relation to your needs and those of the intended recipients is the platform from which we create the solutions. The use of dedicated graphic design resources ensures the optimum effective layout for the documents. Finally we utilise the power of our mainframe computer to construct the documents which are then output to one of our high speed laser printers.

It is this combination of business, technical, graphic, operational and management skills which makes Insight Printing Solutions unique. Combining this with our ability to provide a "total service", from data to post, gives our clients a fully managed service as an extension to their business.

CAPABILITY

Each client has their own particular business needs. In recognising these needs we offer a number of flexible options to provide the total managed service.

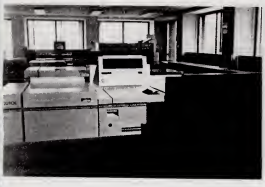
Data can be input via tape or transmitted over leased/dial-up line. It can then be sorted using a number of techniques such as mailsort, de-duplication or report consolidation. A variety of type styles are available, plus scanned graphics such as logos and signatures, highlight colour, a wide variety of paper stock and a full complement of finishing options, some using optical marks to automate the process.

BENEFITS TO YOU

Insight Printing Solutions gives your business the benefits that access to the latest technology offers without the capital expense. With our experience in a variety of markets and a client base covering both the private and public sectors, we offer pro-active advice to exploit the business opportunities available through enhanced document design. This unique offering, focused on quality, client service, flexibility and security, enables you to focus on your core business, secure in the knowledge that we will manage your document systems.

Insight Printing Solutions provides your business with benefits in:

- Designing document systems to support your business needs
- Graphic design skills to enhance your business documents
- Total service from data to post
- Tailored systems and service to complement your business
- Access to the latest laser printing technology without the capital expense



PL

CIMAGE CORPORATION *The Document Management Systems Company*

NEWS RELEASE

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Contact: **For Immediate Release**

For: Ewan Botterill/Mike Tarttelin
Cimage International

12 October, 1994

CAP GEMINI & CIMAGE ANNOUNCE JOINT SERVICE OFFERING

HOUSTON TX - CAP GEMINI AMERICA ("CGA") and Cimage Corporation have combined forces in a strategic alliance geared to help petrochemical, oil and gas companies implement, integrate and maintain Electronic Document Management Systems (EDMS) across all areas of their global businesses. The alliance draws on the combined process industry experience and information technology expertise of these two leading international software and service organisations.

"Low oil prices, increased exploration and production costs, and increasing environmental health and safety demands have prompted the industry to initiate extensive cost reduction and effectiveness programs," said Mary Adams, documentation director for CAP GEMINI's Oil and Gas Sector.

"An oil company's bottom line is directly affected by how well the enormous volume of information they must manage is documented and controlled," added sector senior vice president, Paul Fockens. "Information management for these organisations must include timely and cost-effective information distribution and address security, accuracy, quality and regulation issues, as well as allow for the routine and regular updating of information."

/...more

Cimage International Limited
Centennial Court, Easthampstead Road, Bracknell, Berkshire, RG12 1JZ, England.
Telephone (0344) 860055 Fax (0344) 861471

Cap Gemini and Cimage began working together in August 1994. The new service will not only alleviate documentation headaches, but will also provide a single, comprehensive approach to organisation wide information documentation and management with a united consultancy both implementing and providing services to support the solution.

"Oil companies have long sought a mechanism by which they can confidently implement and leverage technology to manage information effectively across their global businesses," concluded Doug Schneider, vice president of marketing, Cimage. "Our joint service addresses this mission critical need. We are confident that this offering will quickly prove the most expedient, efficient, and comprehensive solution available to address the documentation needs of the oil and gas industries."

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Editors' Note

CAP GEMINI AMERICA (CGA) is a member of the CAP GEMINI SOGETI Group, one of the largest information technology consulting companies in the world. The company's international Information Technology (IT) service offerings include custom software development, application management, system integration, outsourcing, re-engineering, training and professional services across a broad spectrum of industries, including manufacturing, financial services, retail pharmaceutical, telecommunications, and the oil and gas industries. CGS's Oil and Gas Sector, based in Houston, is the world-wide headquarters for sales and delivery of IT services to the oil and gas industries.

Cimage Corporation is focused exclusively on the development and delivery of systems to provide Information Management Solutions for plant construction, certification and operation, product development, configuration control, and manufacture to petrochemical, manufacturing, engineering services and utilities world-wide.

Cimage customers in the process industries include: Arco, Amoco, Aramco, Bapco, BP, British Gas, Caltex, DuPont, Elf, Enterprise Oil, Esso, Exxon, Mobil, Philips Petroleum, Shell, Texaco and Unocal, as well as many primary contracting and services organisations, such as ABB, Aker, M W Kellogg and Snamprogetti.

A CUSTOMER NEWSLETTER BY BARCLAYS COMPUTER OPERATIONS & BARCLAYS

ISSUE 5 AU

It's Dun: Edotech's A Winner

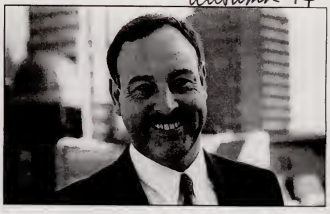
Edotech, the print and data presentation company set up as a joint venture between BCO and IBM last October,

has won a £1m contract from information provider Dun & Bradstreet, its biggest non-Barclays customer so far.

The project to print in-house listing work went live in January 1994 and reflects Edotech's aim to concentrate on value added print for high quality customers. As Sam Ferguson, Managing Director of Edotech, explains: *"Business critical documents are what we're about at Edotech. But we're not just involved in printing, we want to add services to support our customers' businesses. A major departure in recent weeks has been the mechanised mailing process which involves automatic enveloping of letters."*

Since the company was launched, Edotech has also won business from publishers Reed Books and Heinemann Press, a £100,000 deal involving invoice

autumn '94



Sam Ferguson

printing which went live in April 1994. The work involves the first connection between an AS/400 and a large IBM mainframe printer, to facilitate the sending of their print files.

To address the external market, the company has formed a strategic alliance with Acxiom, a major supplier of databases to the direct mail industry, to jointly bid for work from companies such as Proctor and Gamble, Norwich Union and Texaco. Alliances will be a key strategy for projects which would be inappropriate for Edotech to handle alone and Edotech expects to generate 100 million feet of print per year from the Acxiom alliance.

One of Edotech's major objectives is to win business from within the Barclays Group which is currently being serviced externally. The company is working with BCO account managers to effect this. In February 1994, Edotech supported the successful Barclays Registrars bid and now also prints mortgage statements for Barclays Intermortgage, business which traditionally went to external suppliers.

For further information please contact your BCO Account Manager or Sam Ferguson on Clearway 7 2200 or 0452 617011 ext 4555 or via ALL-IN-1 Ferguson, S1.

BNS CLEARWAY DEALS A WINNING HAND FOR BARCLAYCARD

Barclaycard is currently enjoying all the benefits of its new Clearway network,

following a successful and problem-free implementation by BNS in March.

The decision to implement the Clearway initiative stemmed from an extensive and indepth review of Barclaycard's telecommunications requirements, known as Telecomm 2000, in 1991. Barclaycard then with the other improvements that Clearway could offer:

"We were looking for a new telecomms network that would provide much more flexibility than we previously had available," said Tim Melay at Barclaycard.

"The migration across from our existing dedicated connections to the new Clearway circuits went very smoothly and with minimal disruption to all of our users. Thanks for that goes to BNS who did an excellent job and with whom we maintain an excellent working

company itself, not throughout the whole of the Barclays Group.

Clearway has now almost entirely replaced the old network, apart from one dedicated link. The new network now carries calls between Barclaycard locations around the country; calls to and from Barclaycard to other Group locations, as well as outgoing STD

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Tomor

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Centre

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A & C Associates
Abbey Payroll Services
The Accounting Centre
ACTive Business Services
Automatic Data Processing
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Carapay - Cara Information Technology Ltd
Centre-File Ltd
CMG Computer Management Group Ltd
Coggon Computers Ltd
Compower (Cannock) Ltd
Compower (Livingston) Ltd
Computer Services (Kent)
Computerskills Ltd
Contract Administration
Cumbria Computer Services Ltd
Data Encoding Services Ltd
Data Sciences UK Ltd, (Datasolve FM)
Dataplan
Donoghue Information Systems Ltd
Eastern Data Processing
Edinburgh Microsystems Centre Ltd
Europay GB Ltd
GEC Computer Services Ltd
Gordon & Gotch Computer Centre Ltd
John Graham (Dromore) Ltd
Hogia Data Ltd
Host Data Services Ltd
Howsons
Kendal Computing London Ltd
Kingston-SCL Ltd
Manx Computer Bureau Ltd
Matrix Logic Ltd
Microrite Systems Ltd
Midland Software Ltd
Mills Associates Ltd
Moorepay Plc
MPL Computers Ltd
Orwell Data Services Ltd
Payroll Services of Cambridge
Radius Professional Ltd
RHM Computing Ltd
Rich Computer Services
SACE Ltd
Saffron Computer Services Ltd
Sanderson NI Ltd
Scottish Computer Services Ltd
Sirdar Data Systems Ltd
Specialist Computer Services
Sunlight Computer Services Ltd
Syntax Processing Ltd
Termlink Data Services Ltd
TLP Plc
Trafalgar House Information Systems Ltd
Winghigh Ltd

12 Pensions

Avebury Computer Services Ltd
Claybrook Computing Ltd
Compower (Cannock) Ltd
Compower (Livingston) Ltd
Contract Administration
GEC Computer Services Ltd
Highams Computer Services Ltd
Hymans Robertson Computer Services
Microrite Systems Ltd
Midland Software Ltd
Moorepay Plc
Payroll Services of Cambridge
Sherwood Computer Services Plc
Termlink Data Services Ltd
TLP Plc
Trafalgar House Information Systems Ltd
R. Watson & Sons

13 EFTPOS

A1+ Keyline
Compower (Cannock) Ltd
Compower (Livingston) Ltd
Edinburgh Microsystems Centre Ltd
International Network Services Ltd
Nexus Payment Systems International Ltd

20 Address lists and direct mail

A1+ Keyline
AL Downloading Services
Avebury Computer Services Ltd
Avon Direct Mail Services Ltd
Bellman Data Ltd
Border Business Systems Ltd
Capscan Ltd
Centre-File Ltd
Coggon Computers Ltd
Computer Services (Kent)
Computerskills Ltd
Crawfords Computing
Crestbond Ltd
Cumbria Computer Services Ltd
Data Encoding Services Ltd
Data Entry International Ltd
Databasix Computer Services Ltd
Dillon Computing (A Division of Wyman Harris Resea
DRS Data & Research Services Plc
Eastern Data Processing
Edinburgh Microsystems Centre Ltd
Fenworth Desktop Publishing
GE Information Services Ltd
GSI Travel & Transportation (UK) Ltd
Hamlet Computer Group Ltd
Host Data Services Ltd
IBIS Information Services Ltd
Intercom
Kalamazoo Computer Group Plc
Kendal Computing London Ltd
Kingston-SCL Ltd
Lindor Ltd
Listmaster Database Marketing Ltd
Mailforce Ltd - Database Service Division
Manx Computer Bureau Ltd
Microgen (UK) Ltd
Microrite Systems Ltd
Mills Associates Ltd
Minerva Group Plc
MPL Computers Ltd
Orwell Data Services Ltd
Parade Mailing Ltd
Payroll Services of Cambridge
PC Support & Solutions
Portman Data (London) Ltd
Portman Data (Wales) Ltd
Real Time Associates
RED Computing Ltd
RHM Computing Ltd
Saffron Computer Services Ltd
Scan Logic Ltd
Specialist Computer Services
Spectrum Data Services
Sunlight Computer Services Ltd
Telford Computing Ltd
Termlink Data Services Ltd
TLP Plc
Validata Services Ltd
Watchword Database Services Ltd
Winghigh Ltd

21 Database applications

Avon Direct Mail Services Ltd
BDC Technical Services Ltd
Capitol Computer Products Ltd
Capscan Ltd
CFM Group Ltd
CMG Computer Management Group Ltd
Computer Services (Kent)
Crawfords Computing
Data Encoding Services Ltd
Data Entry International Ltd
Databasix Computer Services Ltd
Dillon Computing (A Division of Wyman Harris Resea
Donovan Data Systems Ltd
DRS Data & Research Services Plc
Edinburgh Microsystems Centre Ltd
Fenworth Desktop Publishing
Gatton Synthesis Ltd
GMS Computing Ltd
GSI Travel & Transportation (UK) Ltd
Hamlet Computer Group Ltd
Host Data Services Ltd
IBIS Information Services Ltd
IE Ltd
Lindor Ltd
Listmaster Database Marketing Ltd
Mailforce Ltd - Database Service Division
Matrix Logic Ltd
Microrite Systems Ltd
Minerva Group Plc
Octavian Computer Services Ltd
Palmer & Webb Systems
Papworth Computer Service
Parade Mailing Ltd
Payroll Services of Cambridge
PC Support & Solutions
PCL Mainframe Services Ltd
Peak Systems Design Ltd
Portman Data (London) Ltd
Portman Data (Manchester) Ltd
Portman Data (Wales) Ltd
Real Time Associates
RED Computing Ltd
RHM Computing Ltd
SACE Ltd
Saffron Computer Services Ltd
Savant Enterprises Ltd
Savoy Computing Ltd
Scan Logic Ltd
Sovereign CS Ltd
Syntax Processing Ltd
Telford Computing Ltd
Termlink Data Services Ltd
TLP Plc
UCC Group
Watchword Database Services Ltd
Winghigh Ltd
The Wordsmith Group

22 Graphics

A1+ Keyline
Fenworth Desktop Publishing
Parade Mailing Ltd
Peak Systems Design Ltd
Savoy Computing Ltd
Scott Wilson Kirkpatrick & Partners
Sovereign CS Ltd
Taywood Data Graphics
Wiles Group Ltd

23 Marketing

Avon Direct Mail Services Ltd
Border Business Systems Ltd
CMG Computer Management Group Ltd
Coggon Computers Ltd
Donovan Data Systems Ltd
DRS Data & Research Services Plc
Fenworth Desktop Publishing
GSI Travel & Transportation (UK) Ltd
Host Data Services Ltd
IBIS Information Services Ltd
Kendal Computing London Ltd
Lindor Ltd
Mailforce Ltd - Database Service Division
Parade Mailing Ltd
PC Support & Solutions
PCL Mainframe Services Ltd
Real Time Associates
RED Computing Ltd
Star Business Solutions
Termlink Data Services Ltd
Wiles Group Ltd

24 Media

A1+ Keyline
Avon Direct Mail Services Ltd
Donovan Data Systems Ltd
Gordon & Gotch Computer Centre Ltd
Host Data Services Ltd
Kendal Computing London Ltd
Manx Computer Bureau Ltd
Minerva Group Plc
Orwell Data Services Ltd
Parade Mailing Ltd
PC Support & Solutions
RED Computing Ltd
TLP Plc
Wiles Group Ltd

25 Office automation

A & C Associates
Avebury Computer Services Ltd
BDC Technical Services Ltd
Capitol Computer Products Ltd
Compower (Cannock) Ltd
Cumbria Computer Services Ltd
Donovan Data Systems Ltd
Edinburgh Microsystems Centre Ltd
Fenworth Desktop Publishing
Gatton Synthesis Ltd
GE Information Services Ltd
Hamlet Computer Group Ltd
IE Ltd
International Network Services Ltd
J. Computer Logic
Kendal Computing London Ltd
Manx Computer Bureau Ltd
Matrix Logic Ltd
Midsummer Computing Ltd
Minerva Group Plc
Orwell Data Services Ltd
Palmer & Webb Systems
PC Support & Solutions
Real Time Associates
SACE Ltd
Savoy Computing Ltd
Sheercall Computer Services Ltd
Sovereign CS Ltd
Termlink Data Services Ltd

26 Personnel

Automatic Data Processing
Centre-File Ltd
CFM Group Ltd
CMG Computer Management Group Ltd
Coggon Computers Ltd
Compower (Cannock) Ltd
Compower (Livingston) Ltd
Contract Administration
DRS Data & Research Services Plc
GEC Computer Services Ltd
Gordon & Gotch Computer Centre Ltd
Intercom
Kendal Computing London Ltd
Manx Computer Bureau Ltd
Minerva Group Plc
Payroll Services of Cambridge
RHM Computing Ltd
Saffron Computer Services Ltd
TLP Plc
Trafalgar House Information Systems Ltd
Winghigh Ltd

27 Printing, publishing and typesetting

AL Downloading Services
AL Publishing Services
Avon Direct Mail Services Ltd
BDC Technical Services Ltd
CFM Group Ltd
Cotec Computing Services
Crawfords Computing
Data Sciences UK Ltd, (Datasolve FM)
Digicopy
Edinburgh Microsystems Centre Ltd
Fenworth Desktop Publishing
IE Ltd
Intercom
Kalamazoo Computer Group Plc
Microgen (UK) Ltd
Microrite Systems Ltd
Palmer & Webb Systems
Papworth Computer Service
Parade Mailing Ltd
PC Support & Solutions
Portman Data (London) Ltd
Portman Data (Manchester) Ltd
Portman Data (Wales) Ltd
RHM Computing Ltd
Scan Logic Ltd
Tiedata Ltd
Wiles Group Ltd
The Wordsmith Group

28 Reservation systems

IE Ltd
Osprey Computer Services Ltd
PCL Mainframe Services Ltd
System Aid Group
Termlink Data Services Ltd

29 Statistics

Computer Services (Kent)
Computing Solutions Ltd
Dillon Computing (A Division of Wyman Harris Resea
Donovan Data Systems Ltd
DRS Data & Research Services Plc
Fenworth Desktop Publishing
Host Data Services Ltd
Payroll Services of Cambridge
Portman Data (Wales) Ltd
Termlink Data Services Ltd

30 Stock management

Capitol Computer Products Ltd
Crawfords Computing
Data Sciences UK Ltd, (Datasolve FM)
Globebird Computers
GMS Computing Ltd
Hamlet Computer Group Ltd
Osprey Computer Services Ltd
Sheercall Computer Services Ltd
UCC Group

40 Design

Capitol Computer Products Ltd
Cotec Computing Services
Cray Research (UK) Ltd
Data Technology Datech Ltd
Marine Data International Ltd
Peak Systems Design Ltd
Savoy Computing Ltd
Scott Wilson Kirkpatrick & Partners
Sovereign CS Ltd
Terrahunt Geoscience Ltd
Whessoe & Computing Systems Ltd

41 Distribution systems

A1+ Keyline
Donoghue Information Systems Ltd
Highams Computer Services Ltd
MPL Computers Ltd
Osprey Computer Services Ltd
Sheercall Computer Services Ltd
Star Business Solutions
Syntax Processing Ltd
Tiedata Ltd
UCC Group

42 Import/export adminstration

Donoghue Information Systems Ltd

43 Manufacturing management

Cotec Computing Services
Donoghue Information Systems Ltd
GEC Computer Services Ltd
Globebird Computers
GMS Computing Ltd
Highams Computer Services Ltd
PCL Mainframe Services Ltd
Peak Systems Design Ltd
Price Systems/RCA International Ltd
Sheercall Computer Services Ltd
Terrahunt Geoscience Ltd

44 Production management

BDC Technical Services Ltd
Cotec Computing Services
Peak Systems Design Ltd
Sheercall Computer Services Ltd

45 Transport management

Conqueror Business & Computer Services Ltd
FCS Fleetplan Ltd
GE Information Services Ltd
Globebird Computers
Highams Computer Services Ltd
PCL Mainframe Services Ltd
Scott Wilson Kirkpatrick & Partners
Star Business Solutions

50 Data capture

ACTive Business Services
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AL Publishing Services
Avon Direct Mail Services Ltd
BDC Technical Services Ltd
Bellman Data Ltd
Capscan Ltd
Centre-File Ltd
Coggon Computers Ltd
Compower (Cannock) Ltd
Compower (Livingston) Ltd
Computer Aide Ltd
Computer Services (Kent)
CU Data Ltd
Data Encoding Services Ltd
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Portman Data (Wales) Ltd
Radius Professional Ltd
Rolfe & Nolan Computer Services Plc
Saffron Computer Services Ltd
Sanderson NI Ltd
Scan Logic Ltd
Sovereign CS Ltd
Spectrum Data Services
Sunlight Computer Services Ltd
Taywood Data Graphics
TLP Plc
Watchword Database Services Ltd

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AL Publishing Services
BDC Technical Services Ltd
Bellman Data Ltd
CMG Computer Management Group Ltd
Coggon Computers Ltd
Compower (Livingston) Ltd
Computer Services (Kent)
Data Entry International Ltd
Databasix Computer Services Ltd
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Gatwick Computing Ltd
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Intercom
Kingston-SCL Ltd
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52 Network services

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53 Software development

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Intercom Data Systems Ltd (Woking)
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25 Office automation

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The Wordsmith Group

28 Reservation systems

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System Aid Group
Termlink Data Services Ltd

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Tiedata Ltd
UCC Group

42 Import/export adminstration

Donoghue Information Systems Ltd

43 Manufacturing management

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Peak Systems Design Ltd
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Terrahunt Geoscience Ltd

44 Production management

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Saffron Computer Services Ltd
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Portman Data (Manchester) Ltd

Payroll

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- ...arapay - Cara Information Technology Ltd
- ...entre-File Ltd
- ...MG Computer Management Group Ltd
- ...ggon Computers Ltd
- ...mpower (Cannock) Ltd
- ...ompower (Livingston) Ltd
- ...omputer Services (Kent)
- ...omputerskills Ltd
- ...ontract Administration
- ...umbria Computer Services Ltd
- ...ata Encoding Services Ltd
- ...ta Sciences UK Ltd, (Datasolve FM)
- ...ataplan
- ...donoghue Information Systems Ltd
- ...astern Data Processing
- ...dinburgh Microsystems Centre Ltd
- ...uropay GB Ltd
- ...C Computer Services Ltd
- ...rdon & Gotch Computer Centre Ltd
- ...me Graham (Dromore) Ltd
- ...egia Data Ltd
- ...ost Data Services Ltd
- ...wsons
- ...endal Computing London Ltd
- ...ingston-SCL Ltd
- ...anx Computer Bureau Ltd
- ...atrix Logic Ltd
- ...icrorite Systems Ltd
- ...idland Software Ltd
- ...ills Associates Ltd
- ...oorepay Plc
- ...PL Computers Ltd
- ...rwell Data Services Ltd
- ...yroll Services of Cambridge
- ...adius Professional Ltd
- ...M Computing Ltd
- ...ch Computer Services
- ...CE Ltd
- ...ffron Computer Services Ltd
- ...ilderson NI Ltd
- ...ottish Computer Services Ltd
- ...mar Data Systems Ltd
- ...ecialist Computer Services
- ...nlight Computer Services Ltd
- ...ntax Processing Ltd
- ...rmlink Data Services Ltd
- ...P Plc
- ...afalgar House Information Systems Ltd
- ...inghigh Ltd

Pensions

- ...ebury Computer Services Ltd
- ...aybrook Computing Ltd
- ...ompower (Cannock) Ltd
- ...mpower (Livingston) Ltd
- ...ontract Administration
- ...C Computer Services Ltd
- ...ghams Computer Services Ltd
- ...mans Robertson Computer Services
- ...icrorite Systems Ltd
- ...idland Software Ltd
- ...oorepay Plc
- ...ayroll Services of Cambridge
- ...herwood Computer Services Plc
- ...rmlink Data Services Ltd
- ...P Plc
- ...afalgar House Information Systems Ltd
- ...Watson & Sons

EFTPOS

- ...Keyline
- ...mpower (Cannock) Ltd
- ...mpower (Livingston) Ltd
- ...dinburgh Microsystems Centre Ltd
- ...ternational Network Services Ltd
- ...uxus Payment Systems International Ltd

20 Address lists and direct mail

A1+ Keyline
AL Downloading Services
Avebury Computer Services Ltd
Avon Direct Mail Services Ltd
Bellman Data Ltd
Border Business Systems Ltd
Capscan Ltd
Centre-File Ltd
Coggon Computers Ltd
Computer Services (Kent)
Computerskills Ltd
Crawfords Computing
Crestbond Ltd
Cumbria Computer Services Ltd
Data Encoding Services Ltd
Data Entry International Ltd
Databasix Computer Services Ltd
Dillon Computing (A Division of Wyman
Harris Resea
DRS Data & Research Services Plc
Eastern Data Processing
Edinburgh Microsystems Centre Ltd
Fenworth Desktop Publishing
GE Information Services Ltd
GSI Travel & Transportation (UK) Ltd
Hamlet Computer Group Ltd
Host Data Services Ltd
IBIS Information Services Ltd
Intercom
Kalamazoo Computer Group Plc
Kendal Computing London Ltd
Kingston-SCL Ltd
Lindor Ltd
Listmaster Database Marketing Ltd
Mailforce Ltd - Database Service Division
Manx Computer Bureau Ltd
Microgen (UK) Ltd
Microrite Systems Ltd
Mills Associates Ltd
Minerva Group Plc
MPL Computers Ltd
Orwell Data Services Ltd
Parade Mailing Ltd
Payroll Services of Cambridge
PC Support & Solutions
Portman Data (London) Ltd
Portman Data (Wales) Ltd
Real Time Associates
RED Computing Ltd
RHM Computing Ltd
Saffron Computer Services Ltd
Scan Logic Ltd
Specialist Computer Services
Spectrum Data Services
Sunlight Computer Services Ltd
Telford Computing Ltd
Termlink Data Services Ltd
TLP Plc
Valldata Services Ltd
Watchword Database Services Ltd
Winghigh Ltd

21 Database applications

Avon Direct Mail Services Ltd
BDC Technical Services Ltd
Capitol Computer Products Ltd
Capscan Ltd
CFM Group Ltd
CMG Computer Management Group Ltd
Computer Services (Kent)
Crawfords Computing
Data Encoding Services Ltd
Data Entry International Ltd
Databasix Computer Services Ltd
Dillon Computing (A Division of Wyman
Harris Resea
Donovan Data Systems Ltd
DRS Data & Research Services Plc
Edinburgh Microsystems Centre Ltd
Fenworth Desktop Publishing
Gatton Synthesis Ltd
GMS Computing Ltd
GSI Travel & Transportation (UK) Ltd
Hamlet Computer Group Ltd
Host Data Services Ltd
IBIS Information Services Ltd
IE Ltd
Lindor Ltd
Listmaster Database Marketing Ltd
Mailforce Ltd - Database Service Division
Matrix Logic Ltd
Microrite Systems Ltd
Minerva Group Plc
Octavian Computer Services Ltd
Palmer & Webb Systems
Papworth Computer Service
Parade Mailing Ltd
Payroll Services of Cambridge
PC Support & Solutions
PCL Mainframe Services Ltd
Peak Systems Design Ltd
Portman Data (London) Ltd
Portman Data (Manchester) Ltd
Portman Data (Wales) Ltd
Real Time Associates
RED Computing Ltd
RHM Computing Ltd
SACE Ltd
Saffron Computer Services Ltd
Savant Enterprises Ltd
Savoy Computing Ltd
Scan Logic Ltd
Sovereign CS Ltd
Syntax Processing Ltd
Telford Computing Ltd
Termlink Data Services Ltd
TLP Plc
UCC Group
Watchword Database Services Ltd
Winghigh Ltd
The Wordsmith Group

22 Graphics

A1+ Keyline
Fenworth Desktop Publishing
Parade Mailing Ltd
Peak Systems Design Ltd
Savoy Computing Ltd
Scott Wilson Kirkpatrick & Partners
Sovereign CS Ltd
Taywood Data Graphics
Wiles Group Ltd

23 Marketing

Avon Direct Mail Services Ltd
Border Business Systems Ltd
CMG Computer Management Group Ltd
Coggon Computers Ltd
Donovan Data Systems Ltd
DRS Data & Research Services Plc
Fenworth Desktop Publishing
GSI Travel & Transportation (UK) Ltd
Host Data Services Ltd
IBIS Information Services Ltd
Kendal Computing London Ltd
Lindor Ltd
Mailforce Ltd - Database Service Division
Parade Mailing Ltd
PC Support & Solutions
PCL Mainframe Services Ltd
Real Time Associates
RED Computing Ltd
Star Business Solutions
Termlink Data Services Ltd
Wiles Group Ltd

24 Media

A1+ Keyline
Avon Direct Mail Services Ltd
Donovan Data Systems Ltd
Gordon & Gotch Computer Centre Ltd
Host Data Services Ltd
Kendal Computing London Ltd
Manx Computer Bureau Ltd
Minerva Group Plc
Orwell Data Services Ltd
Parade Mailing Ltd
PC Support & Solutions
RED Computing Ltd
TLP Plc
Wiles Group Ltd

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Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: September 5, 1994

To: Name: Roger Folkes
Tel./Location: 0270-68831
Co.:
Fax No: 0270-68831
From: Name: Peter Lines
Subject: Print Outsourcing

Page: 1 of
File: Chron
Contact
Other:

Roger, **PS**, remember that we are trying to interview IS shops that do substantial laser printing volumes. Please ensure that respondents are correectly qualified before proceeding to far down the interview route itself.

Thanks in anticipation.

Talk to you soon.

Peter.

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Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: September 5, 1994

To: Name: Roger Folkes
Tel./Location: 0270-68831
Co.:
Fax No: 0270-68831
From: Name: Peter Lines
Subject: Print Outsourcing

Page: 1 of 5.
File: Chron
Contact
Other:

Roger, I now enclose some sample, you should have separately received the blank qa forms. Enclosed is data for the Water and Electricity utility sectors. The other sectors which we are interested in are Local Government, Gas and Financial Services. You will need to do some preliminary work in identifying telephone numbers etc. for these for which we are prepared to pay an additional flat fee of £100 providing the sample of 20 (compensated at £12 per completed interview excluding costs) is completed. Ideally the sample of interviews is spread evenly across these 5 sectors. Please ensure that you **do not** contact any of the organisations listed on the attached sheet.

It is imperative that you proceed with all haste to attempt to achieve these interviews as quickly as possible. Please let me know by Thursday latest how you are getting on.

Thanks in anticipation.

Talk to you soon.

Peter.

BRITISH GAS	071 - 821 - 1444
MANWEB	0244 - 377 111
ANGLIAN WATER PLC	0480 - 433433
" SERVICES	0480 - 433433
BRISTOL WATER	0272 - 665881
BROCKHAMPTON HOLDINGS (WATER SUPPLY)	0705 - 499888
COLNE VALLEY WATER	0923 - 223333
DWR CYMRU CYFNGEDIG	0874 623181
EAST SURREY HOLDINGS (749)	0737 - 765933
EAST SURREY WATER PLC (750)	//
ESSEX WATER (760)	0245 - 491234
GENERAL UTILITIES (797)	071 - 259 - 5244
LEE VALLEY WATER (904)	07072 - 68111
MID KENT HOLDINGS (944)	0634 - 240313

MESSAGE CONFIRMATION

30/08/94 10:29
ID=INPUT LTD

NO.	MODE	BOX	GROUP
743	TX		

DATE/TIME	TIME	DISTANT STATION ID	PAGES	RESULT	ERROR PAGES	S.CODE
30/08 10:23	05'35"	0270 68831	009/009	OK		0000

MID SOUTHERN WATER (944)	0252 - 835031
MID SUSSEX WATER (946)	0444 - 457711
NEWCASTLE & GATESHEAD (969)	091 - 265 - 4144
NORTH EAST WATER (974)	091 - 265 - 4144
NORTH WEST WATER (974) (975)	0925 - 234000
NORTHUMBRIAN WATER (977)	091 - 284 - 3151
PORTSMOUTH WATER (1012)	0705 - 486333
RICKMANSWORTH WATER (1039)	0923 - 776633
SAUR (UK) LTD (1063)	0252 - 835031
SEVERN TRENT (1074)	021 - 722 - 4000
SOUTH STAFFORDSHIRE (1088)	0922 - 38282

MESSAGE CONFIRMATION

02/09/94 20:47
ID=INPUT LTD

NO.	MODE	BOX	GROUP
876	TX		

DATE/TIME	TIME	DISTANT STATION ID	PAGES	RESULT	ERROR PAGES	S.CODE
02/09 20:43	04'24"	INPUT MVIEW	006/006	OK		0000

SOUTH WEST WATER (1088)	0392 - 446688
SOUTHERN WATER (1089)	0903 - 264444
SUFFOLK WATER (1102)	0502 - 572406
~~THAMES WATER (1120)~~	~~0734 - 591159~~
WELSH WATER (1166)	0874 - 623181
WESSEX WATER (1167)	0272 - 290611
YORKSHIRE WATER (1185)	0532 - 343234

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ☐ No ☐

Q16b. Why/why not?

_____
_____

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

_____
_____

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☐ Many ☐

Why?

_____
_____
_____

Q19. How soon do you anticipate using such services ?

_____
_____

ELECTRICITY

East Midlands	749	0602 - 358229
Eastern Electricity	750	0473 - 553205
London Elec	914	071 - 242 - 9050
Midlands	946	021 - 423 - 2345
~~Ho~~ National Grid	963	071 - 620 - 8000
National Power	964	0793 - 892913
Northern Electric	975	091 - 221 - 2000
Norweb	977	061 - 873 - 8000
Nuclear Electric	979	0452 - 652222
Powergen	1013	021 - 701 - 2457
Scottish - Hydro	1068	031 - 225 - 1361
Scottish - Power	1068	041 - 637 - 4177
Seeboard	1071	0273 - 724 522
South Wales Electricity	1088	0454 - 201101
South Western Elect	1088	0222 - 792111
Southern Electric	1089	0628 - 822 - 166
Yorkshire Electricity	1185	0532 - 892123

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FAX TRANSMITTAL FORM

Date: August 30, 1994

To: Name: Roger Folkes
Tel./Location: 0270-68831
Co.:
Fax No: 0270-68831
From: Name: Peter Lines
Subject: Customer Satisfaction

Page: 1 of 9
File: Chron
Contact
Other:

Roger, Please find enclosed a copy of the questionnaire I want you to use. The question numbers are non-sequential as this is a shorter version of a longer questionnaire we are also using. EDOTECH, as you can see from the end of the qa is a joint-venture between IBM and Barclays Computer Operations. I can fill you in with a bit more detail on the phone. I will also be in touch again about sample.

Talk to you soon.

Regards
Peter.

8

EXHIBIT A
(RES 250)

INPUT Questionnaire

CONFIDENTIAL

Project Code/Catalog No. ☐☐☐☐☐☐☐☐

Study Title: _____

Interviewer Initials ☐☐☐

Type of Interview:

Interview Date ☐☐☐☐☐☐

☐ Vendor ☐ Telephone

QC Initials ☐☐☐

☐ User ☐ On-Site

QC Date ☐☐☐☐☐☐

☐ Other ☐ Mail

Data Entry Initials ☐☐☐

Data Entry Date ☐☐☐☐☐☐

Company: _____ Company Type: _____

Address: _____ Sales: _____

_____ # Employees: _____

_____

City/State/Zip: _____

Main Phone: ___/_____-_____ FAX # _____

Respondent(s):

Name	Title	Phone/Ext.

Referrals:

_____

_____

Industry (User Interviews Only):

☐ Discrete Mfg.
☐ Process Mfg.
☐ Transportation
☐ Utilities
☐ Communications
☐ Retail
☐ Wholesale
☐ Banking/Finance
☐ Insurance
☐ Medical
☐ Services
☐ Education
☐ Federal Government
☐ State & Local Government
☐ Consumer/Home
☐ Other Industry Specific
☐ Cross-Industry

Comments:

_____

_____

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an international research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre.**

The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

Background notes for interviewer:

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away in the medium term. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc. , whilst at the same time keeping their associated costs well under control.

Identification of respondent.

Q1. Who in your Information Systems or data centre organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services (please name position)? *(multiple responses expected)*

- ☐ IS central personnel _____
- ☐ User department personnel _____
- ☐ Third party vendor _____

_____
_____

Q2. Could I just confirm some details about your current laser printing operations?

a) What is the h/w installation?

Vendor	Model #	No. of units.
IBM_____	_____	_____
SNI_____	_____	_____
Rank Xerox_____	_____	_____
Other (define)____	_____	_____

b) What is your total print volume per week/day?

Please define _____

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☐ No ☐

d) What are these applications and why are they critical?

_____

_____

_____

Q3. Are printing operations becoming more or less critical to the organisation?

_____
_____
_____

If not a large installation with no critical applications, end interview.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a. Satisfied with.

_____
_____
_____

b. Problems.

_____
_____
_____

Q9. What is your level of interest in using other technologies to cut down on your printing volume, for example, using such technologies as(1=low to 5= high)?:

Document Image Management systems ☐
Report Distribution Systems ☐
Forms Design Software ☐
Other (please define) _____ ☐

_____
_____

Attitudes to Services

Q10. What is your level of interest in the following print related services (1=low to 5= high)?

Data Analysis/data base design ☐
Use of Composition Software ☐
Printing design (business forms) ☐
Finishing (guillotining, folding, lamination, hole punching) ☐
Mail sort, postal rebate and despatch ☐
Electronic delivery of information to replace paper ☐
Others (please define) _____ ☐
_____ ☐
_____ ☐
_____ ☐

_____
_____

Q11. Is there any outsourcing for any aspects of your IT functions, if so what?

_____
_____

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations.

_____
_____

Q16a.Would you consider outsourcing the whole of your print and finishing operations?

Yes ☐ No ☐

Q16b.Why/why not?

_____
_____

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

_____
_____

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☐ Many ☐

Why?

_____
_____
_____

Q19. How soon do you anticipate using such services ?

_____
_____

Vendor selection criteria

Q20. Who do you perceive to be the most important vendors with regard to the following:

Printing technology?

_____

_____

Systems operations
(FM)etc._____

_____

Q21. What would be the three most important reasons for your company to use an outside services provider?

1. _____
2. _____
3. _____

_____
_____

Q22. How would you rate the importance of the following criteria, on a scale of 1 to 5, in selecting external vendors for your organisation?

Reputation ☐
Experience ☐
Technology ☐
Organisational strength ☐
Cost/price ☐
Contractual terms and conditions ☐

Quality of vendor personnel ☐
Quality of service ☐
Size of vendor ☐
Vendor's geographic coverage ☐
Prior experience in your organisation ☐
Ability to supply h/w and s/w as well as services ☐
Application and industry knowledge ☐
Other (please define) _____ ☐
_____ ☐

Q23a. What is the most suitable type of vendor?

Hardware manufacturer ☐ _____
Print bureau ☐ _____
Outsourcing company ☐ _____
Other (please define) ☐ _____

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale):

Skills availability ☐
Access to technology ☐
Difficulties in dealing with technological change /improvement ☐
Costs ☐
Other (please define) _____ ☐

Q24a. Finally I would like to ask you whether you have heard of EDOTECH? Yes □ No □

If NO, explain that the company is an alliance between Barclays Computer Operations and IBM to provide printing related outsourcing services.

Q24b.Would an organisation like that be of interest to you?

_____

If YES, ask the following:

Q24c.What is your general impression of EDOTECH and the services they provide?

_____
_____

Q24d.If no opinion , why not?

_____
_____

Thank You

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an international research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of printing operations associated with substantial computer applications.

The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

Q1. Could you first of all give me some details about your current printing operations?

What is the h/w installation

What are the applications

The computer operations in general e.g. is there any outsourcing for other aspects of IT?

Are there any significant differences between the way you manage the data centre and the way you manage printing operations.

Do you use the same vendors for these different aspects of your operations?

Q2. How critical are the main print applications/operations to your organisation?

Are printing operations becoming more or less critical to the organisation?

Q3. Who do you perceive to be the most important vendors with regard to:

printing technology?
systems operations (FM)
etc.

Q4. Who is responsible in your organisation for decisions relating to printing?

Q5. Are there any particularly critical applications that you would consider outsourcing the print application for?

What benefits would you expect to achieve through outsourcing?

If not now what might make a change to that decision in the future?

Q6. What would be your principal selection criteria for selecting an outsourcing print vendor? **unprompted**

1 to 5 scale
Reputation
Experience
Technology
Organisational strength
Cost/price
Contractual terms and conditions

Quality of vendor personnel
Quality of service
Size of vendor
Vendor's geographic coverage
Prior experience in your organisation
Ability to supply h/w and s/w as well as services
Application and industry knowledge
Other (please define)

Single or a number of specialist vendors?

Q7. What products and services are provided by whom?

Q8. What roles would you expect the in-house staff to cover in relation to managing the use of external vendors to provide print services?

IS central personnel
End user personnel
Third party vendor

Q9. Do you expect to cut down on your printing requirements in the future through such technologies as Document Image Management systems?

Q10. In relation to your current printing operations what areas are you most satisfied with and what areas do you have problems?

Q11. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

How soon do you anticipate using such services ?

Q12. Are there any facilities or improvements that you would like to implement in the print operation but cannot do for lack of capital, staffing skill problems etc.? What are they?

Q13. Were you to use outside vendors for print operations would you rather hand the job to one firm or use an number of vendors to perform specialist roles?

Vendor selection criteria.

Suitability of different types of vendor e.g.. equipment/product firm vendor professional services firm, outsourcing company etc.

Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality /security etc.

Principal applications

What are the typical key problems that you encounter in the day to day management of your print operations.

What kinds of changes in the print demand are you expecting in your organisation?

If little change why is this?

Is your current print budget sufficient to meet the needs placed upon this part of the operation?

What would be the three most important reasons for your company to use anotside services provider?

How important are the following characteristics of an external vendor in influencing your decision to use an outside services vendor (1 to 5 scale)

Skills availability
Access to technology
Difficulties in dealing with technological change/improvement
Other

Thank You

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IT Intelligence Services

17 Hill Street, London, W1X 7FB
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

FAX TRANSMITTAL FORM

Date: August 22, 1994

To: Name: Stephen Helms
Tel./Location: 081-788-7458
Co.: Chelverton House Limited
Fax No: 081-788-6309
From: Name: Peter Lines
Subject:

Page: 1 of 2
File: Chron
Contact
Other:

Stephen, The meeting in Gloucester is with Sam Ferguson, in case of problems the phone number is 0452-617011, map of the location is attached.

I have received the package, thanks.

As part of the user questionnaire there is a need to take a view on the EDOTECH/IBM branding for these services. We should therefore include the following question -

Have you heard of Edotech? yes_____no_____

If not explain that it is a joint venture between BCO and IBM to do print outsourcing

If yes ask the following questions.

What is your understanding of Edotech's services?

If no understanding, why?

I have now in hand the 9 completed interview transcripts, can you please give me the list of the other interviews you have done but not yet written up, plus the list of firms from which you are expecting to do the remaining interviews.

Thanks in anticipation.

Talk to you soon.

Peter.

Briefing Notes BCO Project YNB1 30.06.94

Currently Edotech is concentrating on some non-strategic areas like micro-film, however, the **research focus** should concentrate on the longer term opportunities.

Fundamentally, the research focus should be on 3 major and one minor area can be considered as a back drop possibility, that is Document Management Systems. The four areas are:

- Security Printing. Little demand seen here at the moment , they think there are possibilities, the issue is how to get into this market. It will involve printing one-piece (i.e. unique and confidential) documents, e.g. payroll offering improved print quality.

- FM. "I don't want to run a print shop anymore..." motivation. Maybe they have an AS 400 and just don't want all the hassle of running the printing....
  Currently do it for Reed Consumer Books via a pipe - fulfil everything
  Also do it for D&B who don't want to run a print shop...it is all some in Gloucester.

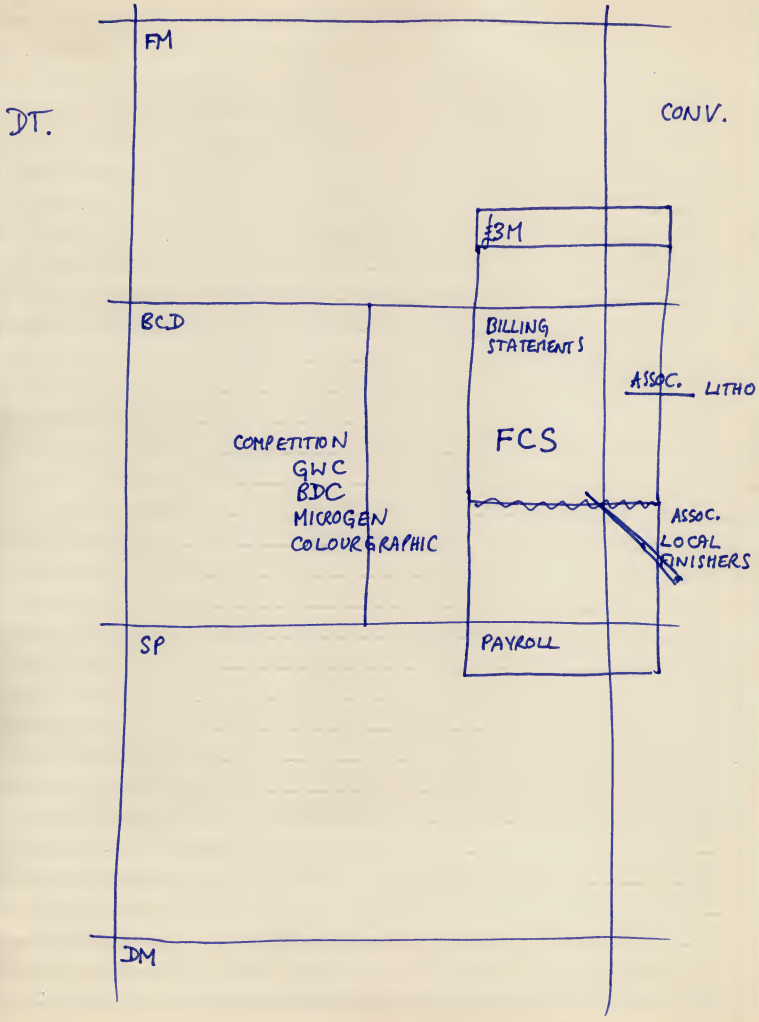
- Business Critical Documents. Not to worried about quality of internal documents - but are worried about externally issued documents. Need latest s/w and h/w to improve image/quality ..provide tailored messages. In this area users might wish to keep the low end requirement in-house but outsource the high end.
  The competitive driver is quality documents.
  IBM has(?) something called AFP, Advanced Functional Presentation.....
- Document Management Systems.
  The concept of not printing.

Key question - where are the opportunities and how big are they and how fast are they growing?

Need to speak to Sam (ex Microgen) person at Gloucester.
Also Nick at IBM.
Paperflow (part of Trent/Severn)...an ISSC account ...maybe not.
Ken at Ashburnham?
Kenrick and Jefferson...
FDR(contract with AMEX)
Other large bureaux e.g. Centre-file/RHM/SEMA/Hoskyns.

DRIVERS	INHIBITORS
NORMAL OUTSOURCING ARGUMENTS	REDUCING COST OF HIGH QUALITY PRINT
CONCEPT OF THE 'MARKET OF ONE' OR μMARKETING	REDUCTION IN USE OF PAPER IN LONG-TERM 'INFORMATION SUPER HIGHWAY'
	PRINTING FUNCTION INTEGRATED INTO OTHER SERVICES
	SMALL LOW VOLUME FRANCHISES eg KALLKWICK PRONTA PRINT

FCS


FM
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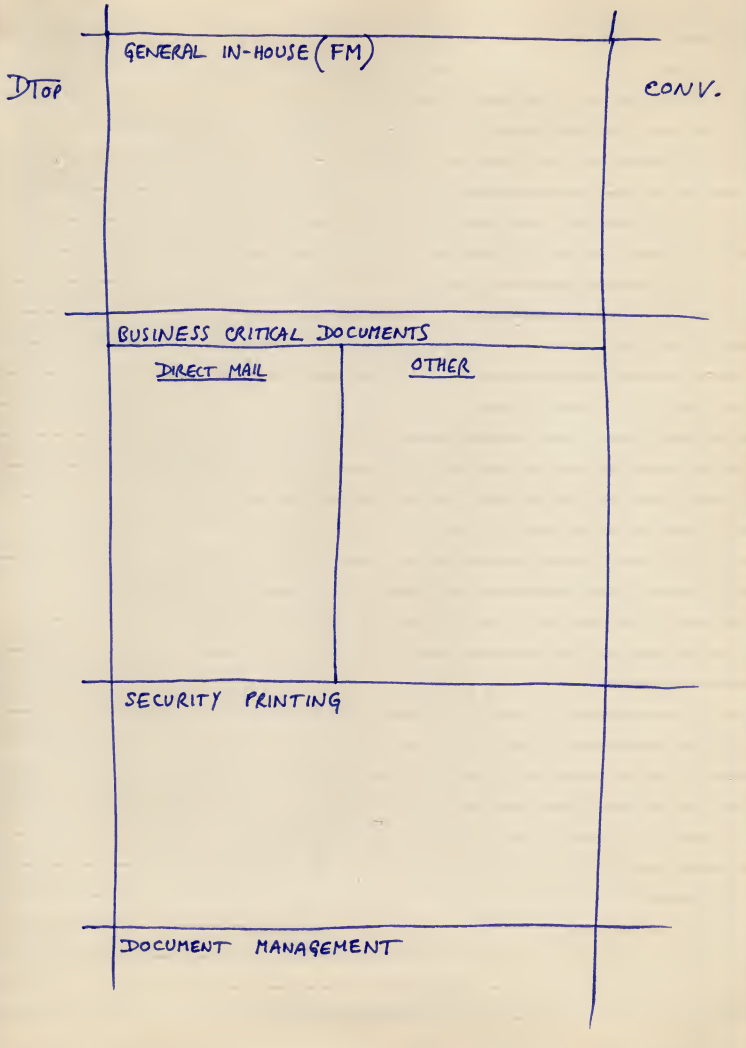
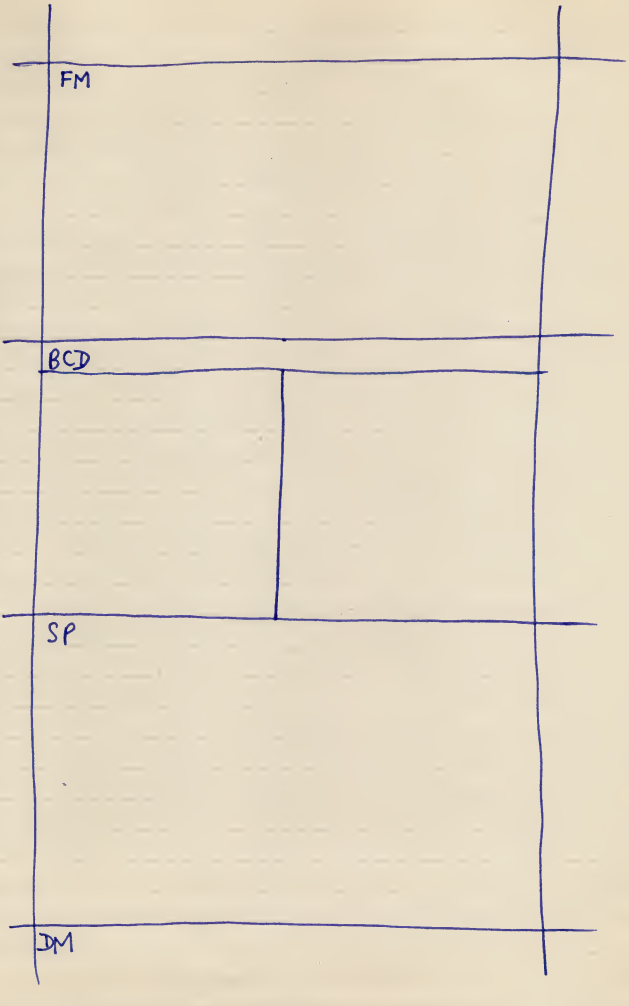
CONV.
£3M
BCD
BILLING STATEMENTS
ASSOC. LITHO
COMPETITION
GWC
BDC
MICROGEN
COLOURGRAPHIC
FCS
ASSOC. LOCAL FINISHERS
SP
PAYROLL
JM


GENERAL IN-HOUSE (FM)
DTOP
CONV.
BUSINESS CRITICAL DOCUMENTS
DIRECT MAIL
OTHER
SECURITY PRINTING
DOCUMENT MANAGEMENT

MICROGEN



Objectives

The research objectives are as follows:

- Identify the revenue opportunity for print outsourcing with a three year forecast of likely demand.
- Determine the key market sectors and develop a strategy for segmenting the market.
- Validate the current market position of *Edotech* and make recommendations for change as appropriate
- Determine the typical buying process, decision-making unit and buying criteria for print outsourcing
- Identify the most cost-effective methods for communicating with selected target customers.
- Evaluate key competitors in relation to *Edotech's* current market position.

Scope

The study is to be entirely undertaken in the U.K. The study is to focus on users with paper intensive applications with large numbers of documents or large numbers of customers. Typical industries are likely to be financial services, utilities, retail and local and central government.

Methodology

The project would commence with a meeting between INPUT and BCO to confirm the precise project objectives and agree the project time scale.

INPUT would then proceed to conduct both desk and field research designed to achieve the project objectives. INPUT would develop a guide-line document for competitive vendor interviews and a questionnaire for interviewing current customers of large-scale laser printing services. INPUT proposes to gather data and information from all the current major competitors for large scale laser printing services.

In addition INPUT proposes to interview up to fifty (50) users of large-scale printing services, the majority of these interviews would be conducted by telephone. However, it is proposed to do up to ten on an in-depth, face-to-face basis in order to gain a deeper understanding of user needs and wants for large-scale printing services. To the extent possible, INPUT would like to interview BCO and IBM staff involved in the *Edotech* activity to provide a more detailed understanding of the organisation's services and capabilities. INPUT envisages a mid-point review with BCO to report on research progress and the achievement of the project objectives. Upon completion of the research, INPUT would analyse and synthesize the data and information collected and prepare market analyses and forecasts for the relevant market sectors.

EXEC Overview

Briefing Notes BCO Project YNB1 25.08.94

- A key message for the report is; " BCO needs to move up the food chain as far as printing services are concerned"
  In other words the business problem is what needs to be addressed, not just carrying out the actual printing function.

- The exploration of who makes the decisions on printing is to be carried out in the in-depth user interviews not in the shorter telephone interviews.

- It is vital that in conducting the user interviews that we clearly delineate up-front that we are interested in laser printing directly driven by computers/connected to the data centre. We are not interested in general printing which is very likely to be outsourced. To this end we need to start with the IS function in the interview process.

- Ross is particularly keen that we get the target list of user interviews in front of Sam at Gloucester.

- Three further areas that need to be addressed in the qa:
  - The Barclays IBM connection with Edotech
  - A sanity check on the belief that people are interested in data presentation that avoids paper, i.e. electronic delivery
  - The extent to which users want services based on new technology, particularly software:

    i.e. RDS (Report Distribution Systems)
    ~~Competition~~ Software (Tailored messages segmentation)
    Forms Design e.g. AFP.

Composition

Mailcom
Crawford's (old UB)
Xerox- do a lot of work for D&B, have an FM capability. Xerox are strong in the Insurance area.

Ross to get me a list of direct mail printers.

Talking to a lot of FM firms indicates that they do not want to handle the problems of printing.

They do not want to be in direct mail in the long term, the relevance to this research is the extent to which these competitors are a threat to them over time....

Research needs to addresses key aspects such as
- where to focus efforts in the medium and long term
- validate current thinking. i.e. is the shape of the market realistic
- not just being just another bureau/they want to be at the higher end....
- check on IBM/BCO branding i.e. confidence level behind EDOTECH

Miscellaneous issues
May need a special EDOTECH salesman to liaise with IBM.
Very difficult to determine the right segments....

IBM and the Printing Business

Nick has a channel focus - he needs to get business though the channels

They see selling printers as buying a 5-year service.
One third h/w, two thirds s/w.
They are interested in pure printing, the very large machines to the very small(i.e. LAN server printers)
Fundamentally product based
It is a £45 million business, 25 in mtce, 5 in s/w licence and the rest in h/w sales.
It is a flat market except in the C/S area
Competition is Xerox and SNI - Xerox has the insurance area sewn up

Situation with regard to Lexmark -IBM relationship is one of managed co-operation on a world wide basis, complementary marketing. Lexmark have a 3/5 year contract. Lexmark attack the

PC end IBM is the LAN and above, definition is by speed.
Enterprise orientation versus SOHO.

Document Management.

We are not going to paperless situation, but to paper reduction ie managing documents - tailor requirements part electronic/part paper the question is are you looking for a managed service.

Target sectors are going to be large scale printing requirements in:

Financial services
Insurance
Utilities
Local Government
Central Government

IBM to provide contact names and telephone numbers.

Time scale, 9-11 weeks

Split user research Between RA + Consultant ----

Schedule some review points and get back to Ross.

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INPUT would prepare a written report to bring together the research findings, conclusions and recommendations, and the report would include an executive overview. INPUT would make a foil-based presentation of the results to BCO.

Time Scale

The proposed research project would be conducted to the following schedule:

Week	Activity
1	Project Commencement and Kick-off Meeting
2	Finalise interview guides and questionnaires and organise field research.
2-5	Conduct field research
4	Mid-point review
6-7	Analyse results and prepare market forecast.
8	Prepare written reports
9	Presentation to BCO

Responsibility and Experience

The project would be conducted under the overall responsibility of Mr. Peter Lines, INPUT's Vice President of European Research. INPUT would, in addition, employ experienced associate consultants to participate in the field research.

Confidentiality

The research information collected for this study would not be revealed to any third party without BCO's express permission nor would INPUT reveal any information given by BCO in the course of the study to any third party.

Professional Fee

The professional fee for this study, as specified, would be £17,500 (excluding VAT) and excluding direct expenses (primarily travel and telephone costs) which would not be expected to exceed 5% of the total project fee. Fifty percent of the project fee is due and payable on project authorisation, the final 50% due and payable on project completion.

EDOTECH RESEARCH BRIEF

1. Introduction

1.1. BCO and IBM's Printing Business have formed an alliance called Edotech to market laser printing and data presentation services based on BCO's production expertise, using IBM's R & D resources in USA and UK marketing channels.

1.2. Edotech, although initially offering high volume, bulk laser printing will move clients towards alternative forms of presentation using advanced software management tools. We therefore trying to position ourselves away from just being another laser printing bureau (of which there are many) into being a innovative, forward thinking company which sets new standards for data presentation using leading-edge technology.

1.3. As part of our marketing drive we currently perceive there to be major opportunties in the print outsourcing market eg Dun & Bradstreet and research undertaken by Gartner in the US market.

2. Objectives

2.1. Identify the revenue opportunity for Edotech with a 3 year forecast.

2.2. Determine key market sectors and a strategy for market segmentation.

2.3. Check the validity of Edotech's current position and recommend changes as appropriate.

2.4. Determine buying process, decision-making unit and buying criteria for print outsourcing.

2.5. Identify the most cost-effective methods for communicating with our selected targets.

2.6. Evaluate our key competitors in relation to Edotech's market position.

3. Key Issues

3.1. We do not have any market size figures for print outsourcing in the UK although we believe the market is dominated by a large number of relatively small bureaux using Xerox and Siemens equipment. Most of these organisations appear to be focused on the Direct Mail sector.

3.2. Key sectors are likely to involve paper intensive

industries which produce large numbers of documents and have a large number of customers (invoices and statements) such as:

* Financial Services (insurance, building societies, banks)
* Utilities/Telecoms/Media
* Retail/Wholesale
* Local & Central Government

3.3. Who do we target - senior operations managers from IT or the controller of the budgets - The FD?

3.4. Although we did some initial research into the alliance with IBM, using Ashburnum Group we need to review our position based on our focus into selected market segments.

3.5. Competition is many and varied but it appears that our main threats will come from Microgen, Kenrick & Jefferson and MR Microrite Systems.

4. Requirements

4.1. Produce a research proposal which outlines scope, methods, budget and timescales.

4.2. Proposal required for Friday 22nd of April (3 copies)

Ross Clarkson
Marketing Manager

staggered approach ....

- BCO quick — bureau model
  marginal costing.....

- Ashburnham collected some info on vendor (This would be more available.)

- IBM still making low role if possible...
  positioning .....

not just print....
technology refinement..

Proposal by 22nd April.

Discussion (if staged....)
- research

advice from INPUT on direction of work in this.

05.04.94

Michigan Microdata Corporation – Data Group Grand Rapids

not tightly tied to IBM

Koreson SVI may buy XEROX

sales channels

Boulder...

+ R&D resource (6 months advance

J-V with IBM

BCO do it.

– Laser printing (Computer output)

↓

Data presentation

Redrive paper

Competitive Documents

(UK)

3yr forecast

- continuous ..... competitors' positioning

- Key actors

- Clearly what is value in this area?

- decision makers?

segmentation – most important

what would separation strategy be

① Target existing shops by aimed at consumers

② absorb guilt

② Gartner type not medium term put in most important ..... outsource

+ monitoring.

missing graphics/color

away from → commodity

+ electronic media

Started – Direct Mail (Archimedes Group : Ken Jamieson.

└ technology research ..... 500K)

+ was 11 person (100K –

but No. because of mktg skills.

signed 2 deals – D&B (invoices/statements) £1M/3yrs.

terrible at things like partner AXIOM

reasons

– improve quotation.....

– leverage us for mail + write outsource

∴ more value in print outsourcing mkt...

Jim Ferguson (Michigan).

EDO Tech

Glenrothes

Objectives

The research objectives are as follows:

MARKET OPPORTUNITY

A · Identify the revenue opportunity for print outsourcing with a three year forecast of likely demand.

A · Determine the key market sectors and develop a strategy for segmenting the market.

POSITIONING

B · Validate the current market position of *Edotech* and make recommendations for change as appropriate

– WHAT CHANGE IS NECESSARY

B · Evaluate key competitors in relation to *Edotech's* current market position.

MARKETING

BUYING PROCESS + CHANNELS

C · Determine the typical buying process, decision-making unit and buying criteria for print outsourcing

C · Identify the most cost-effective methods for communicating with selected target customers.

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on the area of print operation associated with large computer applications. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, user organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control. Does this situation present opportunities for vendors?

Q1. I would like to start off by asking you about the different types of printing services/equipment etc. that your organisation currently provides?

- ☐ Equipment
- ☐ Software products
- ☐ Services
  - ☐ Maintenance
  - ☐ Management (Professional)
  - ☐ Facilities Management
  - ☐ Other (please define)

a) Do you expect to be making any specific changes in these product/service areas in the immediate or medium term future?

b) Do you partner with any organisations in order to extend your range of capabilities?

c) Are there any synergies between your printing related products and services and other aspects of your business?

Q2. Who do you consider to be your main competitors in the areas that you have identified?

a) What do you consider to be your principal competitor's comparative strengths and weaknesses - can these be typified by vendor category e.g. services firm, equipment supplier, print, industry firm etc.

e.g., technology knowledge and experience, product delivery, maintenance, other services etc.

b) What in your opinion are the main criteria by which clients select vendors in this sector?

c) Are the competitors you have identified different from those in other parts of your business?

Q3. What, in your opinion, are the most important/critical applications and industry sectors for large scale printing requirements ?

- ☐ Secure printing (e.g. payroll)
- ☐ High quality external documents
- ☐ Internal documents
- ☐ Other (please define)

- ☐ Financial Services
- ☐ Insurance
- ☐ Utilities
- ☐ Local Government
- ☐ Central Government

a) What changes do you anticipate in these in the future?

b) In which areas will printing become more or less critical to the business?

Q4. How big do you consider the markets are (in the UK) for the printing services that you have identified?

How fast are they growing?

Q5. What are the main changes that you expect to occur in these markets over the next few years? (If not, please explain why you think there will be no change?)

a) Opportunities

b) Threats (e.g. electronic *paperless* forms, document image management)

For applications see Q3.

Q6. In which areas do you perceive that customers are facing the biggest problems/challenges?

e.g. quality,, deadlines for business critical documents, staffing, skills, technology, economising on capital etc.

a) Do you see any opportunity here for providing full outsourcing services for the print shop?

b) What do you think are potential drivers (client benefits) and inhibitors for or against outsourcing printing functions?

Q7. Which customer/client interfaces are most important to your business development?

a) Do you perceive any changes happening in this area in the foreseeable future?

Q8. What are the most important skills/capabilities/facilities that you need in your organisation to meet future customer needs?

a) What are going to be the specific requirements for success in the future market?

Skills

Technology

Facilities

Q9. Are there any interesting client sites that you can give as examples of new directions in print services?

Q10. Are there any other aspects of the large scale printing business that we have not covered which you think are important?

Thank you

The Market Opportunity for Outsourcing Printing Operations

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Software products
Services
- Maintenance
- Management (Professional)
- Facilities Management
- other (please define)

a). Do you expect to be making any specific changes in these product/service areas in the immediate or medium term future?

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High quality external documents	Insurance,
Internal documents	Utilities,
Other (please define)	Local Government
	Central Government

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Thank you

Quick Telephone.

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an international research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre.**

The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

Background notes for interviewer:

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away in the medium term. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc. , whilst at the same time keeping their associated costs well under control.

Identification of respondent.

Q1. Who in your Information Systems or data centre organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services (please name position)? *(multiple responses expected)*

- ☐ IS central personnel _____
- ☐ User department personnel _____
- ☐ Third party vendor _____

_____

_____

Q2. Could I just confirm some details about your current laser printing operations?

a) What is the h/w installation?

Vendor	Model #	No. of units.
IBM_____	_____	_____
SNI_____	_____	_____
Rank Xerox_____	_____	_____
Other (define)____	_____	_____

b) What is your total print volume per week/day?

Please define _____

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☐ No ☐

d) What are these applications and why are they critical?

_____

_____

_____

Q3. Are printing operations becoming more or less critical to the organisation?

_____
_____
_____

If not a large installation with no critical applications, end interview.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a. Satisfied with.

_____
_____
_____

b. Problems.

_____
_____
_____

Q9. What is your level of interest in using other technologies to cut down on your printing volume, for example, using such technologies as(1=low to 5= high)?:

Document Image Management systems ☐
Report Distribution Systems ☐
Forms Design Software ☐
Other (please define) _____ ☐

_____
_____

Attitudes to Services

Q10. What is your level of interest in the following print related services (1=low to 5= high)?

Data Analysis/data base design ☐
Use of Composition Software ☐
Printing design (business forms) ☐
Finishing (guillotining, folding, lamination, hole punching) ☐
Mail sort, postal rebate and despatch ☐
Electronic delivery of information to replace paper ☐
Others (please define) _____ ☐
_____ ☐
_____ ☐
_____ ☐

_____
_____

Q11. Is there any outsourcing for any aspects of your IT functions, if so what?

_____
_____

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations.

_____
_____

Q16a.Would you consider outsourcing the whole of your print and finishing operations?

Yes ☐ No ☐

Q16b.Why/why not?

_____
_____

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

_____
_____

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☐ Many ☐

Why?

_____
_____
_____

Q19. How soon do you anticipate using such services ?

_____
_____

Vendor selection criteria

Q20. Who do you perceive to be the most important vendors with regard to the following:

Printing technology?

_____

_____

Systems operations
(FM)etc._____

_____

Q21. What would be the three most important reasons for your company to use an outside services provider?

1. _____
2. _____
3. _____

_____
_____

Q22. How would you rate the importance of the following criteria, on a scale of 1 to 5, in selecting external vendors for your organisation?

Reputation ☐
Experience ☐
Technology ☐
Organisational strength ☐
Cost/price ☐
Contractual terms and conditions ☐

Quality of vendor personnel ☐
Quality of service ☐
Size of vendor ☐
Vendor's geographic coverage ☐
Prior experience in your organisation ☐
Ability to supply h/w and s/w as well as services ☐
Application and industry knowledge ☐
Other (please define) _____ ☐
_____ ☐

Q23a. What is the most suitable type of vendor?

Hardware manufacturer ☐ _____
Print bureau ☐ _____
Outsourcing company ☐ _____
Other (please define) ☐ _____

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale):

Skills availability ☐
Access to technology ☐
Difficulties in dealing with technological change /improvement ☐
Costs ☐
Other (please define) _____ ☐

Q24a. Finally I would like to ask you whether you have heard of EDOTECH? Yes ☐ No ☐

If NO, explain that the company is an alliance between Barclays Computer Operations and IBM to provide printing related outsourcing services.

Q24b.Would an organisation like that be of interest to you?

_____

If YES, ask the following:

Q24c.What is your general impression of EDOTECH and the services they provide?

_____
_____

Q24d.If no opinion , why not?

_____
_____

Thank You

UQ2 b)

PRINT VOLUME

#1	35 – 60 BOXES / DAY.
#2	18-20/d BOXES PLAIN 35-40/d BOXES FORMS.
#3	30 – 40 BOXES / DAY.
#4	15 – 20 BOXES / DAY
#5	20,000 Sheets / day.
#6	140 BOXES / WEEK (3,000 Sheets / box)
#7	60 BOXES / WEEK
#8	900K sheets / month.
#9	2,000 sheets / day.
#10	100 BOXES / week externally. (6,000 shts/wk internal)
#11	100 BOXES / WEEK
#12	80 BOXES / WK. (BOX ≈ 2,000 SHTS)
#13	15 K SHTS / DAY
#14.	600 BOXES / MTH. (+ OTHER 200 BOXES / MTH.)
#15.	≈ 14,000 SHEETS / DAY.
#16.	3.5 m sheets / 3 months.
#17	1/3 million sheets / month.
#18.	15 – 20 K sheets / day.
#19.	10 – 15 BOXES / DAY
#20.	20.2 million Sheets / year.

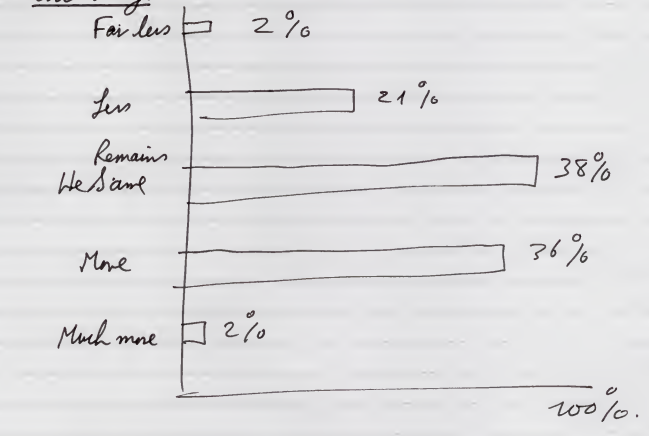
UQ2 b)

PRINT VOLUME

#21	4·8 million / ft year ? ≃ 2 84 m/sheets/yr '93.
22	≃ 2 mil /yr.
23	120 K sheets / week.
24	5 million A4 sheets / yr.
25	25 m sheets / month
26	40,000 sheets / week (additional label sheets of ave 100K labels/wk = 10K sheets each)
27	200K sheets / week
28	2·5 million sheets / month.
29	10 – 11 million pcts / yr
30	100 m shts / yr (was 110 2 yrs ago)
31	Now 3.2 m / shts / yr Was 4·6 18 months ago – due to changes in TAX gathering – and processing – saved 25% on paper.
32	10 – 15 m sheets / yr.
33	16 m / shts / yr (was 50 m / yr)
34	over 2·2 m shts / yr equivalent (80% on four-fold)
35	110 mil / sheets / yr.
36	1·5 → 2 m imprints / yr.
37	3·5 m shts / yr (will go to 6·5 m)
38	450 K sheets / month
39	30 k sheets / week.
40	2m + sheets / yr

EXHIBIT III – 1 BUSINESS

USER OPINION CONCERNING CRITICALITY OF HIGH SPEED LASER PRINTING OPERATIONS.

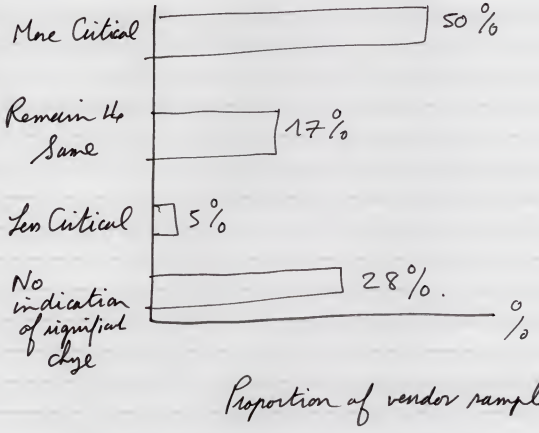


]USER Q3[

A: The Importance of Printing .....
More or less Critical.

EXHIBIT III – 2 (Source VQ 3b).

VENDOR OPINION CONCERNING THE BUSINESS CRITICALITY OF PRINT OPERATIONS



Vendor Q 3.b.

« In which areas will printing become more or less critical to the business ?? .

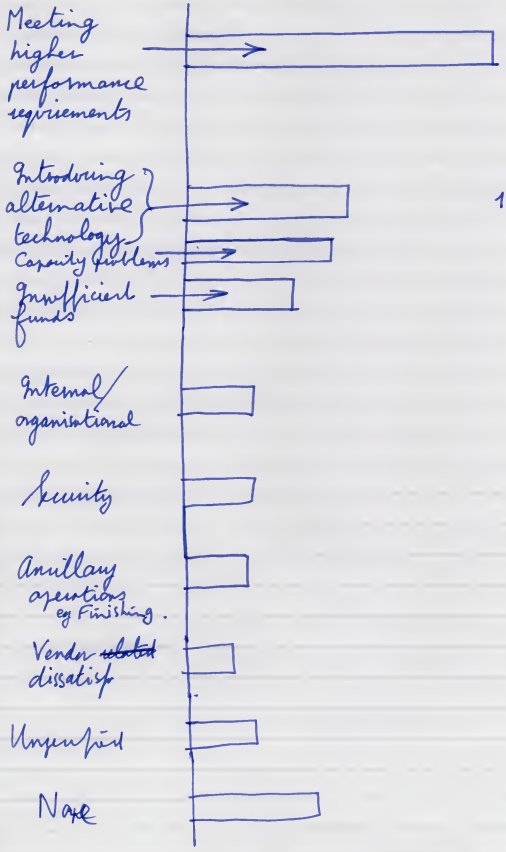
Less Critical.	Remain the Same.	More Critical.
{ MIS ← }	← #2 →	#1.
		#3. Retail
	~~#12.~~	~~#5.~~
	#13.	#6.
		#8.
#15. FMCG.	#18.	#9.
		#11. (Timeliners)
		#12.
		#14.
(1)	(3)	(9)

- No significant indication either way:
  #4
  #7 (EDOTECH)
  #10
  #16.
  #17.

(5)

EXHIBIT III-3.

SOURCES OF PROBLEMS FOR USERS WITH IN-HOUSE HIGH VOLUME LASER PRINTER OPERATIONS



Meeting higher performance requirements	25%	12
Introducing alternative technology	13%	6
Capacity problems	11%	5
Insufficient funds	9	4
Internal/ organizational	6%	3
Security	4%	2
Ancillary operations eg Finishing.	4%	2
Vendor ~~related~~ dissatisf	4%	2
Unspecified		5
None		6
	Σ	~~47~~

USER Q 4b PROBLEMS

Meeting higher performance requirements / volume / time ... #44, #47 (quality). (10) +2 (12)

Planning / organisation / management. (3)

Introducing alternative technology .... (6)

Costs (increasing) (1)

Security (2)

≠ Finishing. #41. (2)

Problems with supplies #42, #45 (2)

Insufficient funds... (3)

Unspecified + other (3)

Capacity related – under + over. (5)

None (6)

VENDOR Q 6

VENDOR PERCEPTION OF CUSTOMER PROBLEMS.

#1. Increase efficient use of resources / get value for money perception.
#2. Cost saving.
#3. Faster reaction , lack of quality staff.
#4 Skills shortage — shortage of funds.
#5. Being wiped off, low quality by smaller, nimble startups
#6. Tighter deadlines , reduce cost (capital), skills shortage
#7. —
#8. Quality of paper supply for users.
#9. Skills shortage (technical) + buyers (eg downsized).
#10. —
#11. —
#12. Time criticality, cost of staff
#13. —
#14. Timeliness demands + complexity
#15. Cost / Quality — particularly capital, employment of specialist
#16. Budget constraints, resource reduction in research staff.
#17. Economies of scale. + skill shortage
#18. —

OUTSOURCING PRINT

VENDOR Q6b.

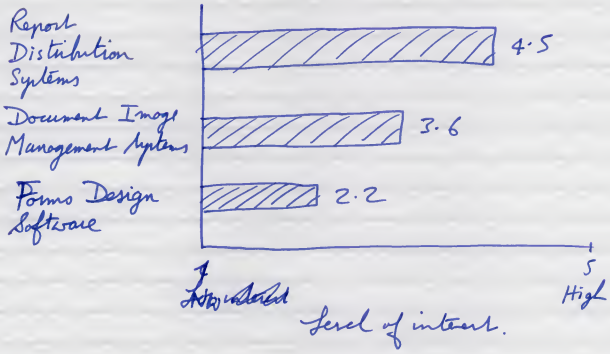
DRIVERS (CLIENT BENEFITS)	INHIBITORS
#1. • Access to skilled resources / business knowledge of vendor / cost/benefit payoff.	• Fear for internal empire • dependency on supplier • loss of control eg over deadlines in sensitive areas eg council tax.
#2. Cost saving capital exp., staff, technology training.	Security / Control in-house competition ---
#3. Reduction in capital - distraction	Printing part of another service. Some in-house printing need not be expensive... (not high-end exam).
#4 Vendor skills availability Cost effective Core business focus	Loss of control (apparent) Perception that in-house is cheaper.
#5. Core business focus access to plant only intermittently used	Confidentiality
#6. Deadlines, costs, skills	Confidentiality / security.
#7. Capital expenditure, skills	Empire protection - inflexibility.
#8. Reduced cost - misc, capital, staffing, storage no extra staff etc - core business focus.	Loss of control + flexibility
#9 Need for a total service + more cost control	Intrnl empire protectn Security + confidentiality.
#10. (HOSKYNS) —	—
#11. Skills expensive, Specialised L/U requirements secure waste/storing for sensitive paper	—

VQ 6.b (cont.)

DRIVERS	INHIBITORS
#12. Fixed price, capital cost removed. In-house skills expensive + time consuming activity – not core	• Lack of control, security for sensitive information.
#13. Concentration at one point of responsibility. Keeping up to date with technology. Skills. Meeting volume requirements.	Misperception over costs – overhead not added in. Confidentiality / security. (Overcome with Security TV encryption etc.).
#14. Social norm. Focus on core business.	In-house resistance
#15 Itemised billing ie Improve Quality	Loss of security, turnaround time will slip
#16. Skills shortage. Cost of equipment.	In-house
#17 Economies of scale. Techno-fear. Not being resident in-house skills.	Loss of control. Security. Stops client experimenting with new ideas – a new trial would have to be paid for separately.
#18 Lack of experienced staff at the top end of the market. Capital investment cost + staff	Perception of greater control + lowered cost in-house...

EXHIBIT III-4

LEVEL OF USER INTEREST IN
NEW TECHNOLOGIES TO REDUCE PRINT VOLUME



User Q 9.

USER Q#9. C

	0	1	2	3	4	5		
DIM	5	5	7	5	9	16	3·6	~~47~~ 42
RDS	5	2	1	3	7	29	4·5	~~47~~ 42
FD	11	5	22	6	3	—	2·2	36

EXHIBIT III – 5

LEVEL OF INTEREST IN PRINT RELATED SERVICES

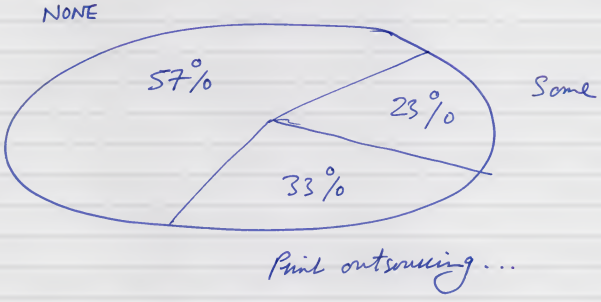
User Q10.

USER Q10. ATTITUDES TO SERVICES.

	0	1	2	3	4	5	
■ DATA ANALYSIS		23	15	3	4	0	1.7 45
□ Comp S/W		15	15	8	6	1	2.2 45
□ Prel Design		11	22	8	2	3	2.2 46
□ Finishing		20	12	4	3	6	2.2 45
□ Mail Sort		16	11	9	4	6	2.4 46
□ Elec Delivery.		6	0	2	19	16	3.9 43

EXHIBIT III – 6

INCIDENCE OF OUTSOURCING



Print outsourcing...

User Q11.

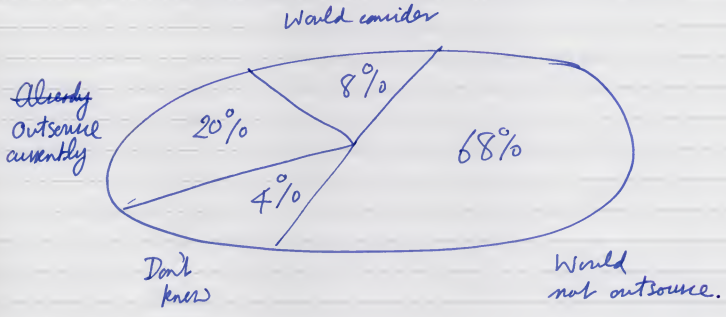
USER Q11.

None.	# 6, # 7, #8, #9, #10, #11, #13, #21, #22, #23, #24, #25 #26, #28, #29, #30, #33, #36, #37, #38, #39, #40, #41, #42, #43, #44, #47 — 57% — 27
Some (limited)	#1, #12, #16, #17, #19, #20. #27, #31, # 32, #34, #35, — 23% — 11
Yes - Printing	#2, #3, # 4, #5, #14, #15, #18, #45, #46 — 19 33% — 9
Yes - other	2

47

EXHIBIT III - 7

CONSIDERATION OF PRINT OUTSOURCING



User Q16a.

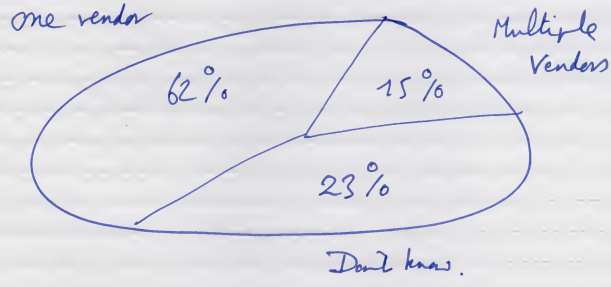
Q16a.

WOULD CONSIDER OUTSOURCING.

	60		I-d.	
YES	11	~~4444~~	~~4444~~ 1	13 (9 already do) 8% 1 20%
NO	~~4444~~ ~~4444~~ ~~4444~~ 111	~~4444~~ ~~4444~~ 111	1	32 68%
DK		11		2 4%
				47

EXHIBIT III–8

USER PREFERENCE FOR SINGLE OR MULTIPLE OUTSOURCERS



User Q18.

Q18. OUTSOURCERS

	60		I-d.	
ONE	~~4444~~ ~~4444~~ ~~4444~~ 1	~~4444~~ ~~4444~~	111	29 62%
MANY	111		1111	7 15%
NO RESPONSE	1			1 25%
DK		~~4444~~ ~~4444~~		10.

EXHIBIT ~~III~~ III – 9.

~~PROPENSITY~~

POSSIBLE IMPLEMENTATION OF OUTSOURCING PLANS

Uses QIP.

USER Q19.

• Already outsourced.	~~4444~~ 11	7	18%
•			
. Within 1yr	11	2	5%
. Within 2yrs	~~4444~~	5	12%
3yrs	11	2	5%
. Within 5yrs	11	2	5%
• No plans.	~~4444 4444 1111 1111~~ 11	22/40	55%

VENDOR Q 6a.

OPPORTUNITY FOR OUTSOURCING PRINT

#1. Yes, there is an opportunity – is providing should build on it further.

#2. Yes, doing it in a small way already.

#3. No, all print is part of existing services.

#4. Yes, doing it in a small way (but way – may be cyclical)

#5. Yes, BUT only as part of a solution where IT expertise is also required

#6. Perhaps, BUT financial industry concerns over confidentiality and security.

#7. YES (EDOTECH).

#8. Perhaps, because of complexity of issues + loss of personnel during recession (downsizing)

#9. Yes, more are outsourcing in general

#10. Does not want to see a separate market form (HOSICYNS).

#11. Yes

#12, Yes, but Mail Marketing would be in it

#13 Yes, but small at the moment (MBA have one client)

#14 Yes, some.

#15 Yes, certainly an opportunity – Microvitz do it using the R X Dowtech system.

#16. Yes, but will NOT enter, prefer to skills + keep printers in scale to what they can afford.

#17. Yes.

#18. Yes, particularly exciting little printers who have the capital to invest –

III

B

MARKET SEGMENTATION

Chapter III (cont.)

B. MARKET SEGMENTATION

VQ1 +1a.

VQ3 Market segments - sample characteristics

VQ3a. " change. (Possibly mkt growth)

VQ5 } Opportunities.

VQ5a }

VQ5b } Threats.

~~C. MARKET & FORECAST.~~

~~VQ4.~~

VQ1.

TYPES OF PRODUCTS/SERVICES OFFERED.

Equipment	#2, #17	(2)
Software products	#2, #5, #15, #17	(4)
Services.	~~#1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16, #17~~ #18	18

#1. Do not sell h/w or s/w – only bespoke s/w as part of svc. Provides FM services +, by-product: forms design service not graphics

#2. Turnkey data management system – Info Vision
Full Laser Mail service. (Full range from set-up → mailing)

#3. Printing services only provided as an integrated part of its other services eg Payroll.

#4. Service in data base management, design + mailing of direct mail material.

#5. DM printing services, + s/w product to clients.

#6. Database ~~dm~~ print, mail fulfillment for DM.

#7, Edotech. Full laser print bound service.

#8. Laser print service – invoices, statements etc.

#9. Laser printing + finishing including difficult printing onto eg. plastic.

#10. Will only provide printing as part of an integrated FM contract. (HOSKYNS).

#11. Business Forms, Security Print & Finishing, Transactional Information Systems. (Formulation processing + printing.)

#12. Complete DM print service including finishing.

#13. Full one-stop shop DM marketing company.

#14. Not a DM shop, full professional print management

#15. Leading laser print bureaux

#16. Database marketing based – bureau – DM full service.

#17. (RX) XBS competes with other bureaux ---

#18. a DM marketing services organisation ---- Full print service including finishing.

VQ1. (continued)

MAINTENANCE	#3, #17.
MANAGEMENT (PROFESSIONAL)	#8,
FM	#1, #3, #8, #10, #11, #13, #15
OTHER	#12, #14, #15, #17, #18.

#3 – Centre-file.

#8 – For printing operations.

#12, – List broking + Telemarketing.

#13, -FM of direct Marketing ?

#14, -(Microgen) microfiche, microfilm.

#15, COM (Microrite)

#17 XBS offers full FM.

#18 List management service, response handling service. mail order fulfillment

a/b/c.

VENDOR Q1a

ANTICIPATED CHANGES.

#1. Arrival of digital colour printing (INDIGO / XEIKON)
Push for increased quality + colour from marketing managers → "the market of one"?

#2. Introduction of new equipment to allow laser personalisation.

#3. Shift to laser printing for secure work (higher quality)
Move to colour

#4. No significant changes.

#5. Prices have dropped by one third — over capacity in the industry.

#6. No specific changes.

#7. Changes are needed – must be defined (EDOTECH).

#8. Addition of new equipment.

#9. Continuing growth, increasing laser personalisation, one piece mailers for payroll high on agenda.

#10. No specific changes re print.

#11. Investment in new machinery.

#12. Change driven by continuous improvement in latest technology – (not new functionality).

Vendor Q1a. (cont).

#13. Continuing technology + equipment upgrades.

#14. No – same strategy.

#15. Increasing invoice management + FM.
New equipment for finishing.

#16. Increasing impact of commodity pricing drives the need for volume

#17. Core business remains L/w + ensure connectivity (RX).

#18. Same services more volume.

6/18 no major change.

9/18 Technology.

VENDOR QUESTION 3.

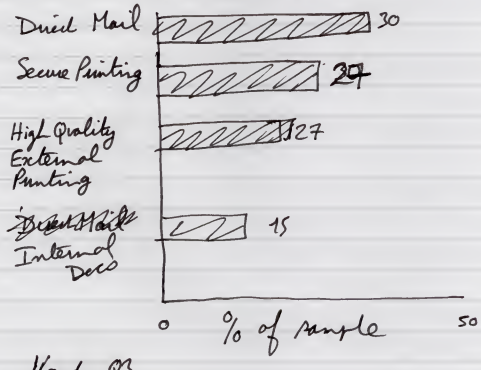
	SECURE PRINTING	4444 1111	~~28~~	9	26 %
	HIGH QUALITY EXT.	4444 1111	~~28~~	9	26 %
	INTERNAL DOCS.	4444	~~14~~	5	15 %
OTHER	DIRECT MAIL	4444 4444	30	10	30 %
	RETAIL	1?	33	1	3 %
				34	100 %

	FINANCIAL SERVICES	4444 4444 4444 11	17	26 %
	INSURANCE	4444 4444 4444 1	16	24
	UTILITIES	4444 11 4444	12	18
	LOCAL GOVERNMENT	4444 111 4444	13	20
~~OTHER~~	CENTRAL GOVT.	111	3	5
OTHER	AIRLINES	1	1	1
	CHARITIES	111	3	5
	FMCG	1	1	1
			66	100 %

dtgr.

EXHIBIT III – 10

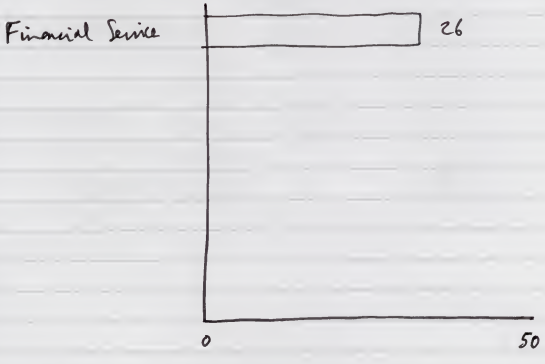
APPLICATION ~~SECTOR~~ MARKET SEGMENTATION



Vendor Q3

EXHIBIT III – 11

INDUSTRY MARKET SEGMENTATION



Vendor Q3.

VENDOR Q3a). b)

ANTICIPATED CHANGE

#1 No great changes.

#2 Some change.

#3 Greater personalisation.
~~less MIS reporting.~~
More in retail.

#4 No.

#5. Direct Marketing increase.

#6. No.

#7

#8. Barcoding for electoral registration.

#9. LG + CG +

#10 –

#11 More outsourcing of billing.

#12. More diversification of products being marketed by Direct Mail eg Heinz.

#13 No.

#14. Retail – reduction
Finance & gen commercial growing

#15. Growth in financial and insurance sectors .....

#16. Some expansion in LA.

#17. Utilities growing
– ~~high~~ statement/billing.

#18. No.

#1 Pre-&post-sales cross selling
– selective printing.

#3 MIS less critical

5

VENDOR Q5. [redacted] ≡ Hunts

Main changes expected in Markets:

#1. Digital colour laser. + Document composition s/s.
2. Some el more client interest in complete FM service. Growth 20% per annum.
3. More compet Re-assess
4.
5. No radica - + added value services
6. Threat of on super highway.
EDOTECH 7. See ful tter added value services.
8. CD-ROM
9. More compe ny casualties.
HOSKYNS 10.
11. EDI, =
12. Increased personalisation.
13.
14. Entry of smaller operators on smaller eqpt.
15. Electronic transfer.
16.
17. Electronic - on-line viewing + law and competition.
18.

VENDOR Q5.

MAIN CHANGES EXPECTED IN MARKETS.

#1. —
#2. —
#3, —
#4. —
#5, Not expected to change radically,
#6. —
#7. —
#8. —
#9. —
#10 —
#11. Govt departments increase outsourcing.
#12. Increased speed + quality of print with increased ability for personalisation.
#13, —
#14, Reduction in retail sector, but increase in finance + general commercial. But will increase.
#15. —
#16. —
#17. —
#18. —

VENDOR Q5a.

OPPORTUNITIES	THREATS
#1. Digital colour laser Document composition s/w	- - - - - > ?
#2. Continued investment + diversification.	More outside competition Change within clients to bring in-house.
#3. Enabling orgs. to focus on their core business.	• Reducing cost of high quality print. • Electronic delivery — long term (not ready to commit major communications)
#4 Technical advances eg highlight colour decrease in prices	Ink-jet printer increases possibility of personalisation (in-house).
#5 Added value services for new naïve users - increasing importance of mailings to keep 'the public' informed	Low cost print shops
#6 Sophisticated duplex printing (both sides) - highlighting	Information super-highway after the year 2000.
#7. Full FM + added value	Service range limitations, (EDOTECH) inability to offer flexibility
#8. CD + other new technology	Increased competition.
#9. Increased #of targeted mailings - growth will occur even if any one client mails less.	No.
#10. (HOSKYNS)	Do not want to see a separate market for PRINT OUTSOURCING.
#11. Govt. departments New firms with no print shop (MSVS ?)	EDI, DIM to save on tax LANs, smart cards etc -do self billing.

VQSa (cont.)

OPPORTUNITIES	THREATS
#12. Increased speed + quality — personalisation.	— Some reductions in some areas.
#13. (Giving US firms fast access to European market)	— direct response TV on-line documents + data communications.
#14. For all pub	— decreasing cost of technology will allow in smaller firms. (see qa)
#15. Colour (Indigo/Xerox) Freedom of information drives more printing	Electronic timber 5–10 yr horizon.
#16. Increased personalisation	Too many suppliers — industry shakeout.
#17. Colour.	on-line seeing DM price erosion
#18. Energy is Heavy	Reductions in price may surtail work in house

A. Market Segmentation.

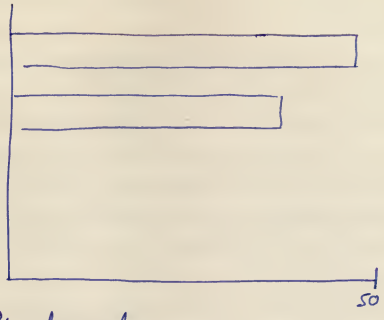
Market Sectors.

- The vendor research largely confirmed the market sector classification propounded for this research; in respect of printing types of , see Exhibit III- , in respect of industry sectors see Exhibit III- .

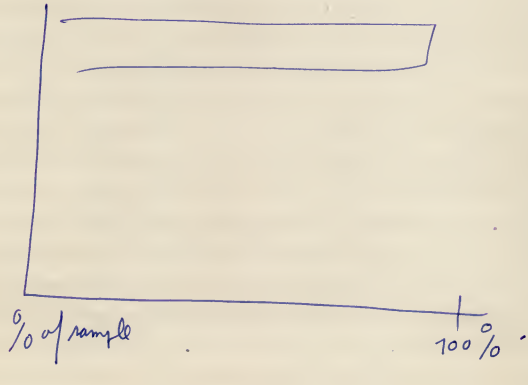
- The types of printing classification indicates that approximately 50% involved in :
  - Secure Printing
  - High quality external
  - Direct Mail.

- The extent to which respondents anticipated change in this are indicated in ~~Chapter~~ Exhibit III-

III–



III–



III

C

MARKET & FORECAST

C. MARKET & FORECAST

VQ4

IV. COMPETITIVE ENVIRONMENT + POSITIONING

- CURRENT MARKET POSITION OF EDOTECH.
- PERCEPTION OF EDOTECH vis à vis the competition.
  MARKET VIEW.
- EVALUATION OF KEY COMPETITORS
  - IBM
  - EDS

IV.

A. These are the vendors who appear to be active in the market

+ this is how we might classify them----

B. These are market positioning factors and specifically this is how EDOTECH is perceived ---

IV

COMPETITIVE ENV.

IV. COMPETITIVE ENVIRONMENT + POSITIONING.

COMPETITION

(VQ2.) ✓ Main competitors.
(VQ2a.) ✓ Competitor strengths + weaknesses.

(UQ2a.) ✓? Printers installed (could be in Chapter I as well)
(UQ20.) ✓ Most important vendors.

VENDOR Q2.	MICROGEN (LASER)	MICRORITE (LASER)	FCS	RX	PAPERFLOW	WATERLOW PETTY	BEMROSE	AXIOM (DM)	PRINTRONIC (DM)	GWC	THE COMPUTING GROUP	MAIL MARKETING	K&J Jefferson	BDC	COLOURGRAPHIC	OUTSOURCING VNDS.	MAILCOMP	MBA
#1. AXIS.	✓	✓	✓	✓	✓							DM						
#2. BDC.						✓	✓											
#3. C-f.								✓	✓									
#4. CPG.		✓	✓						✓	✓								
#5. Crawfords.								✓	✓	✓	✓	✓						
#6. THE DATABASE GROUP								✓	✓									
#7. EDOTECH	✓	✓											✓					
#8. FCS	✓		☐							✓				✓	✓			
#9. HOBS DM						* ✓	* ✓					✓						
#10 HOSKYNS																✓		
#11 K&J	✓					saga ✓							☐			✓		
#12. MAIL MKTG.						saga ✓						☐					✓	
#13. MBA	✓	✓				✓						✓					✓	☐
#14. MICROGEN	☐	✓		✓						✓								✓
#15. MR MICRORITE	✓	☐	✓							✓								✓
#16. PRINTRONIC						saga ✓		✓	☐	✓								
#17. RX				☐														
#18. ROETARN						qty ✓				✓		✓						
						Local firm												

8 actual attend. 16 − 8 = 8

18

FCS

MBA ⟷ MICROGEN

MR MICRORITE ⟷ MBA ← cross identification of competitors...

MICROGEN ⟷ MICRORITE

MICROGEN

27.10.94

France Labels Meetings On Bull 'Exploratory'

AP-Dow Jones News Service

PARIS — The French government said that while "exploratory" meetings have been held with potential investors in state-controlled computer maker Cie. des Machines Bull SA, no actual candidates have been selected.

The Economics and Industry Ministries, in a joint statement, dismissed recent reports identifying suitors for Bull, which is in line to be privatized. The most recent of these articles, which was published by French business daily Les Echos, asserted that Japan's NEC Corp., Motorola Inc. of the U.S. and France's Cie. des Signaux SA are among potential industrial partners interested in taking stakes in Bull. NEC already has a 4.4% shareholding, but speculation has been rife that it will dramatically increase its stake.

The French government, which together with state-owned telephone monopoly France Telecom controls 93% of Bull, is seeking to privatize the computer maker by selling share capital to would-be industrial and financial partners. The European Commission gave France permission earlier this month to inject 11.1 billion French francs ($2.17 billion) into Bull, but the commission insisted that the money be used only to put the unprofitable concern back on its financial feet and lead it into the private sector.

"A significant number of potential investors have been approached on exploratory grounds in the last few weeks. This consultation actually continues. The object of this preliminary phase is to best define the possible terms of the privatization," the ministries' statement said, without identifying any of the potential investors.

Microsoft, MasterCard Talks Stall

REDMOND, Washington — Microsoft Corp.'s recent offer to acquire Intuit Inc., Palo Alto, California, appears to have put a crimp in Microsoft's plan to build closer ties with MasterCard International Inc.

Microsoft was discussing with MasterCard the possibility of using the bank association to give personal-computer users closer ties with member banks. Those talks were put on hold since the announcement of the Intuit acquisition. Intuit already offers a credit card from the Visa International bank association. *(Staff)*

Avid Tech Acquires Digidesign

TEWKSBURY, Massachusetts — Avid Technology Inc. reached an agreement to acquire Digidesign Inc., a fast-growing Menlo Park, California, maker of digital audio technology, in a stock swap valued at about $205 million.

Avid makes digital systems that allow capture and editing of video images on computer disks, without using tape. *(Staff)*

Baby Bells Form Video Ventures

NEW YORK – Three Baby Bells, assisted by Hollywood power broker Michael Ovitz, plan to form two ventures to develop home video programming.

One venture would develop programming and related services, and the other would provide technical services and support. They would be jointly owned and funded by the three regional Bell telephone companies – Nynex Corp., Bell Atlantic Corp. and Pacific Telesis Group. Mr. Ovitz's Creative Artists Agency will act as a consultant. *(Staff)*

VENDOR Q2 - COMMENTS

#1 'In-house' print resources - biggest.

#3. C-f △ competitors in △ sectors eg payroll

#4. Competition in the publishing area is a host of small local competitors.

#7. 'In-house' - significant sites.

#11, 'In-house' very strong

#13. Mentioned Letterdrop (leads) - some others did as well.

#14 MBA established by ex Microgen staff.

#15 Local councils trying to sell spare capacity.
~~+ strong comps~~

#

VENDOR Q 2a.

COMPARATIVE STRENGTHS + WEAKNESSES

	STRENGTHS	WEAKNESSES
#1.	For in-house – immediacy of response For other vendors Simpler service for higher volume at lower cost	• focus on core business – senior management view. • (Tailored / specific solution at higher quality + service level.) • Factory style premises.
#2.	Price competition Size of company Greater resources eg mpcs.	Tailored solution. Dedicated skills.
#3.	Print capability + fulfillment.	Lacks expertise in planning + strategic business use of a d/b.
#4		• Competitors don't have track record • Not being able to offer m/f + PC solutions. • don't have 1200 d/t's
#5	Price competitive (particularly low end PC)	• Lack track record/reputation. • Insufficient technical support + service.
#6.	Few Δ's	Few Δ's
#7.	Responsiveness to client needs. Reputation/track record	•
#8.		• Competitors don't have IT skills to enable complex META code for RX layers.
#9.		• Suicide pricing • Lack of technical skills
#10.	Price – SLA Industry knowledge	

VENDOR Q2a (cont.)

	STRENGTHS	WEAKNESSES
#11.	Volume print - pricing	• Lack of technical expertise/support. • Inadequate quality/security + data control systems • No warehousing
#12.	Wider range of services offered. Price	• –
#13.	Geographic distribution of laser print facilities	Weak account management. Lack of size
#14.	Size + name (brand) Good distribution (Nicosia)	Account management (XBS) Inconsistent quality (XBS)
#15.	Those with Document systems	Investment level, equipment, people.
#16.	One-stop shop Price competitive	• Skills/s/w in data analysis
#17.	—	
#18.	Size - high volume	Lack of flexibility

POSITIONING FACTORS (VQ2a).

STRENGTHS

IMMEDIACY OF RESPONSE (RESPONSIVENESS) 11

SIMPLER SERVICE FOR HIGHER VOL. @ LOWER COST. 111

PRICE ~~4444~~

SIZE OF FIRM 11

✓ { STRENGTH OF RESOURCES (eg m/cs) / PRINT CAPABILITY }

FULFILLMENT / ONE STOP SHOP 11

- REPUTATION/TRACK-RECORD ...
- SLA
- INDUSTRY KNOWLEDGE

RANGE OF SERVICES

[GEOGRAPHIC DISTRIBUTION 11

- DOCUTECH

VENDOR STRENGTHS

VQ2a

PRICE 5

SIMPLIFICATION OF SERVICE HIGHER VOLUME/PRICE 3

RESPONSE 2

ONE STOP SHOP ~~2~~ 3

GEOGRAPHIC SPREAD 2

SIZE OF FIRM 2

RESOURCES 2

- VENDOR WEAKNESSES. (VQ2a)

~~Facts~~ No focus on core business

Tailored solutions. 11 (2)

Skills. Technical ~~1111~~ 1 (6)
Weak account management. 11 (2)
Lack of business knowledge

No track record. 11 (2)

Lack of technology spread.

No d/b.

Inadequate security + control 11 (2)

Limited physical facilities (warehouse)

Too small. 11 (2)

~~Lost~~

VENDOR Q 2c.

COMPETITORS ARE Δ FROM THOSE IN OTHER PARTS OF BUSINESS

#1. Yes.
#2. Generally the same.
#3. Yes.
#4. Yes.
#5. The same.
#6. N/A.
#7. No.
#8. Very Δ.
#9. Same.
#10. Hoskyns does not really compete here,
#11 The same.
#12. Yes
#13. Yes.
#14 Same
#15 Same.
#16 Same.
#17 Same but not re Druckach
#18 Yes -

Δ	The Same
~~1111~~	~~1111~~
11	1111
~~7~~	9

UQ2

a)

	IBM	SNI	RX	OTHER
#1.				PANASONIC
#2		4900s 8 — OR ?		
#3	✓ 8		SMALL 24	
#4	4916 4			
#5	✓			
#6	✓			
#7				BULL 8090 3
#8	✓		490's 4	
#9	4090E 4			
#10	4900			HITACHI COMPAREX 626 x1
#11				
#12	✓ 1		✓ 3	
#13				HDS x2
#14	3800s x4		✓ 10	
#15		LP2000s 3		
#16		2200s 4		
#17			✓ 2	
#18	✓			
#19				PANASONIC 4000 2
#20		2200s 3		

UQ2

a)

		IBM	SNI	RX	OTHER
	#21	3800 x2	3835 x1		
	22			0790 x2	
	23			9700 3	
	24			4090 1	
MBUS	25				MBV MP660 x 2
	26			490 2	
	27	3825 2			
	28			9790 x2	
	29			490 3	
	30	325 2		4850 2 490 -2 9790 -2	
	31			4090 -1	(was 2)
	32	3900 1		3852 2	
	33			9790 2	
	34	✓	✓	✓	
	35		N93 1 N93X 1	9790 1	
	36	9700 1		8750 1	
	37	(Will ship all impact to Iowa very soon)			Compaxis 6890 3
	38			450 1 490 1	
	39	3800 2			
	40			9700 2	

MOST IMPORTANT VENDOR — PRINTING.

#1. RX
2. RX + HP
3. D/K
4. (HP)
5. (HP)
6. XEROX
7. No thoughts
8. R-X (far ahead of others)
9. Rank - Xerox (Laser - only)
10. Rank
11. Manufacturers dedicated to printing — not general computer equipment manufs.
12. Xerox
13. Rank-X
14. IBM — as it effects ops.
15. HP
16. Siemens
17. Tous Panasonic
18. —
19. Siemens
20. No comment

Q20

MOST IMPORTANT VENDOR – PRINTING.

#21.	IBM
22.	IBM for h/w reliability
23	Xerox.
24	Xerox
25	Xerox (Engineering design)
26.	Xerox
27	IBM / Xerox – we use both
28.	Xerox for h/w – IBM s/w.
29.	Xerox.
30	Xerox / h/w only. IBM s/w only.
31.	Xerox
32.	Xerox
33.	Xerox
34.	Xerox.
35	Siemens
36.	Xerox (latest technology & price)
37.	Xerox.
38.	Xerox
39.	IBM / (Have no knowledge of Xerox etc).
40.	Xerox (has to be for h/w – s/w ?)
41.	RX / Siemens
42.	RX / IBM
43.	SNI not RX
44.	—
45.	IBM / RX
46.	Siemens
47.	D/K

V. Q20 Analysis.

PRINTING

RX 4111 4111 4111 4111 4111 11 (27)

IBM 4111 1111 (9)

Siemens 4111 (5)

34

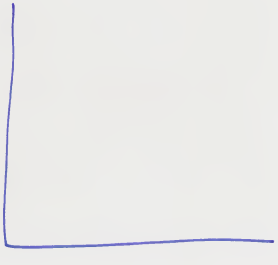
41. 36

D/K 1111

Rank
Xerox

IBM

Siemens.



U Q20 (cont).

MOST IMPORTANT VENDOR — SO.

#1.	HOSKYNS
2.	CSC
3.	D/K.
4.	Local bureau.
5.	Restricted info
6.	A number are about equally good
7.	No thoughts.
8.	Would not like to point one out.
9.	CFM
10.	Granada
11.	Have not got latest info to make judgement
12.	—
13.	HOSKYNS
14.	Not able to say.
15.	IBM.
16.	ICL
17.	No comment
18.	—
19.	—
20	No comment

Q20 (cont.)

MOST IMPORTANT VENDOR — SC.

#21	IBM	(Want no risk in operations)
22.	?	
23	?	
24.	IBM	
25.	Don't know — have not looked around this marketplace.	
26.	?	
27.	Not thought about any one company yet.	
28.	?	
29.	Have no views.	
30.	Micro-Gen.	
31.	IBM	
32	?	
33.	?	
34.	Micro Gen.	
35.	—	
36.	?	
37.	Micro Gen	
38.	Micro Gen.	
39.	IBM	
40.	No idea	
41.	~~RX — Siemens~~ D/K	
42.	No exp.	
43.	D/K.	
44.	—	
45.	D/K	
46.	CFM / HOSKYNS / IBM ISC	
47.	D/K	

UQ20.

HOSKYNS	111	3 ✓
CSC	1	1 ✓
CFM/ICL	111	3 ✓
Granada	1	1 ✓
IBM	~~44441~~	6
Microgen	1111	4
	15	18

IV

MKT.
POSITIONING

IVB.

✓ (VQ 2-b.) Vendor selection criteria.

POSITIONING

✓ (VQ 8.) Skills + capabilities.
✓ (VQ 8a.) Skills / Technologies / Facilities.

✓ (VQ 2c) Δ Competitors in Δ parts of the business.

✓ (UQ 21.) 3 Most important reasons for using services.
✓ (UQ 22.) Selection criteria.

✓ (UQ 23a) Most suitable type of vendor.
✓ (UQ 23b.) Vendor characteristics.

✓ (UQ 24a – 24d.) → Perception of EDOTECH.

VENDOR Q2b.

VENDOR SELECTION CRITERIA.

#1. Credibility - image (prestige office) / Cost / Quality.

#2. Quality / Price / After service care / Turnaround times.

#3. Price / Facilities.
#4. Price – Value for money / Capability / Reliability
#5. Price / Quality service / Location
#6. Personal referral / Quality Service / Thoroughness.
#7. Technical features + skills / Size - scale / Price.
#8. Vendor awareness - credibility / Service level / Price.
#9. Price / Speed of turnaround / Service / Referral - reputation.
#10. Price / Service level / Industry sector experience ..
#11. Security + Data control / Value for money / Good account management
#12. Price / quality / stability / geographic location.
#13. Project Mnmgt skills / Timeliness / Quality / Price comp.
#14. Meet timescales / Price
#15. Service level quality / timeliness / Technical support / Capacity

#16 Quality, reputation, price ---
#17. Price / Support / Performance
#18. Quality of service / Price / Geographic location.

Not yet included in analysis – seems largely repetitive to Q2a.

3 Capabilities and Requirements

In order to win business in this market it will be necessary to demonstrate the possession of appropriate skills and capabilities.

One vendor defined the requirement in the following way:

- Skills
- Technology
- Facilities.

Skills willl encompass business analysis and an understanding of documents at a considerable level of taechnical depth, possibly requiring an understanding of the psychology of linguistics.

Maintaining the necessary skills to keep up with new technology will be another important challenge to vendors.

The technology requirement will cover colour digital printers, automated mailing and such technologies as bar coding.

The facilities requirements will need to demonstrate appropriate space and geographic proximity as well as capabilities in the production line and workflow.

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VENDOR Q 8a

Have not yet done this analysis 8a

SKILLS		
#1	Business Analysis Document understanding (linguistics).	Colour digital printers automated mailing bar codes	Premises Production line Workflow
#2	on-going challenge.	Personalised duplex/ colour highlight	Expand space + offices
#3.	Business + People (customers requirements)	Keep up to date on technology.	—
#4	Commercial acumen	Mobile presentation facilities	Need rationalisation.
#5.	Technical Communication Organisational Ability (Team etc.)	Continue to invest	—
#6.	Technical skills.	PC Technology Invest in S/W tool bought in + develop their own. for eg mailing systems	None extra required.
#7.	AFP/Forms Design Composed text documents with automated operations + BPR BS 5750	Colour (spot or highlight)	Versatile, flexible enclosing facilities.
#8.	A/c management skills	Move to A3 - colour?	Will need more storage space + clients will have to pay.
#9.	Updating	Full colour duplex (Personalised holiday brochure.	Will need to match growth.
#10.	—	—	—

VENDOR Q 8.

MOST IMPORTANT SKILLS/FACILITIES/CAPABILITIES

#1. –
#2. –
#3. Key – combination of business and people skills, the use of IT and its application directly related to the customer's business – market technology advance + customer's unmet requirement.
#4. Commercial acumen.
#5. –
#6. –
#7. –
#8. –
#9. –
#10. –
#11. –
#12. –
#13. –
#14. –
#15 –
#16. –
#17. –.
#18. –

VENDOR Q 8a (cont.)

SKILLS	TECHNOLOGY	FACILITIES
#12 +	Possible to move to simpler systems → PCs complex origami work	Space continues to be a problem.
#11 Communications to understand client requirements data management skills	Colour Integrated graphics	—
#13. Technology skills update	Colour + Finishing machines.	—
#14. Business skills for a/c mngrs.	Printer costs are important.	+
#15. Up-to-date market knowledge. user needs + technology.		
#16. Technology Client's Business (Recruit staff for clients)	Maintain S/W & leading edge.	—
#17. RX ?		
#18. Good Managers Commercial nous...	Update eqpt + S/W.	More →

UQ21

Characteristic	Most Important	2nd most important	3rd most important
Cost	15	13	7
Capacity	12	9	14
Policy	4	1	3
Obs a result of IT Outsourcing	2	2	1
Productia/service improvement	1	3	2
Availability of labour	–	3	–
Technology advance	–	2	–

U Q21. 3 MOST IMPORTANT REASONS

(I). #1. Open tendering – government regulations.
2. Government regs.
3. Meet contractual tender agreements.
4. Bulk
5. Reduce bulk ↓ regulated print total processing.
6. To meet capacity.
7. Total outsourcing of printing being part of systems outsource package.
8. Total outsourcing.
9. High volume increase (addition of large customer base)
10. Lack of capacity
11. Deadline
12. General production improvement.
13. Cost.
14. Capacity needs
15. Monthly peak requirements.
16. Under-capacity.
17. Capacity problems.
18. Cost
19. Cost
20. Cost.

Q21. 3 MOST IMPORTANT REASONS.

(I)

#21. Like business (security)
22. Could not see any good reason why they should
23. Need (for low priority printing + change.
24. Over spill – short-term need. finishing.)
25 Cost
26 Need is lack of internal ability.
27. Cost
28. Policy change
29. Cost.
30. Was considered + rejected (management dislike, control + security).
31. Cost
32. Cost
33. Cost (only) – if ever.
34. Needs not being able to be met.
35. Cost.
36. Cannot think why they should unless by acquisition.
37. Cost.
38. Cost
39. Cost.
40. Cost

II

#1. Capacity needs.
2. Capacity needs
3. Meet financial limits.
4. Cost.
5. Cost
6. Cost saving
7. Cost reduction.
8. Change in direction
9. Total FM deal.
10. New technology advancement.
11. Cost
12. Cost.
13. System outsourcing.
14. Monthly peak demands.
15. Overall costs
16. Additional bulk non-critical requirement
17. Time
18. Time
19. Capacity
20. Time.

II

#21. Cost.
#22. —
#23. Cost.
24. Non critical excess point demand.
25. Manpower
26. Cost - cheap to do.
27. Labour.
28. Costs.
29. Manpower.
30. —
31. —
32. Need additional equipment.
33.
34. Cost reduction possibilities without loss of security
35. Capacity.
36. —
37. —
38. Hurtle
39. Need.
40. Capacity needs.

III

#1. Cost.
2. Operational / system requirements.
3. Need for additional capacity.
4. Time
5. Capacity restrictions.
6. Change in policy
7. Not enough internal capacity
8. Cost.
9. Lack of capacity.
10. Cost.
11. Need.
12. —
13. System evolution
14. Cost.
15. Time.
16. Cost.
17. Cost
18. Requirement
19. FM – total ops.
20. Capacity.

III

#21. Increased volume of business.
22. —
23. Policy.
24 Cost reduction if possible
25. Need
26. Capacity / time, unable to complete on time
27. Capacity.
28. —
29. Hurtle.
30. —
31. —
32. —
33 —
3a. Take over of additional resources.
35. Type.
36. —
37. —
38. Need.
39. Throughput.
40. Outbreak policy introduced.

UQ21

I.

✓ Government/pr. copy policy	1111	~~34~~
✓ Bulk/Capacity	~~1111 1111~~ 11	~~9~~12
✓ Part of oscing package	11	2
✓ Production improvement	1	1
✓ Cost	~~1111 1111~~ 4444	~~4~~15
✓ Capacity	~~4444~~ 1111	~~5~~9
✓ Cost	~~11111111~~ 111	~~8~~13
✓ Policy	1	1
Labour	111	3
✓ Total o/s package	11	2
Technology advance	11	~~1~~
Time	111	3
✓ Cost	~~1111~~ 11	~~6~~7
✓ Capacity	~~1111 1111~~ 1111	~~8~~14
Time	11	2
✓ Policy	111	~~1~~3
System evolution	1	1
✓ Total oscing	1	1

UQ 22 **Vendor Selection Criteria.**

Service Quality	4.8
Technology	4.7
Experience	4.5
Cost/Price	4.3
Quality of vendor personnel	4.2
Geographic Coverage	4.2
Application Industry ken	4.1
Reputation	3.8

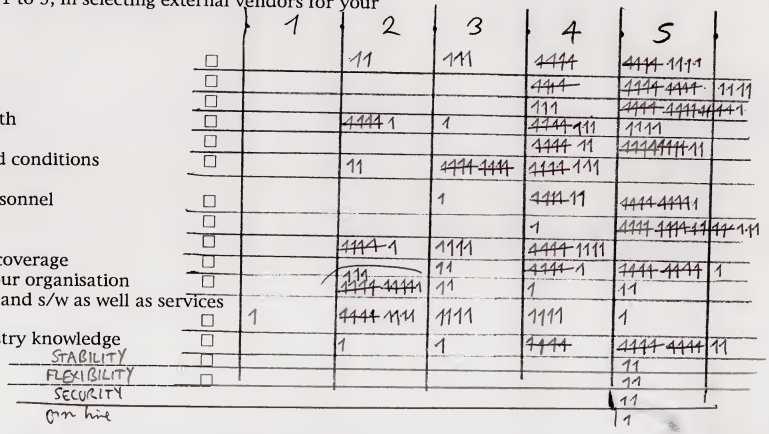
U

Q22. How would you rate the importance of the following criteria, on a scale of 1 to 5, in selecting external vendors for your organisation?

		1	2	3	4	5		
Reputation	3.8	0	5	8	13	12	146	/38
Experience	✓ 4.5 ☐	–	–	– 2 2	5/5/4 14	14/8/1 23	177	/39
Technology	✓ 4.7 ☐	–	–	– 2 2	3/7/3 9	16/10/2 28	182	/39
Organisational strength	3.3 ☐	–	6/7 13	1/3/2 6	8/2/3 13	4/1/1 6	126	/38
Cost/price	✓ 4.3 ☐	–	–	– /1 1	7/1/4 12	12/11/2 25	164	/38
Contractual terms and conditions	3.2 ☐	– 1 1	2/7 9	10/4/1 15	8/2/3 13	– /2 2	126	/40
Quality of vendor personnel	✓ 4.2 ☐	– –	– 1 1	1/3/1 5	7/9/3 19	11 – 3 14	163	/39
Quality of service	✓ 4.8 ☐	–	–	– 1 1	1/3 4	18/13/3 34	189	/39
Size of vendor	2.8 ☐	4 1	6/10/1 17	4/2/ 4 10	9/1 10	0 –	105	/38
Vendor's geographic coverage	✓ 4.2 ☐	– 1 1	– /1/2 3	2/1/3 6	6/1 7	11/10 21	158	/38
Prior experience in your organisation	2.3 ☐	– 2/3 5	14/9/2 25	2 2	1/1 2	2/1/1 4	89	/38
Ability to supply h/w and s/w as well as services	2.4 ☐	1/3/4 8	9/8 17	4/2 6	4/1 5	1/1 2	90	/38
Application and industry knowledge	✓ 4.1 ☐	– 3 3	1/2 3	1/1 2	5/3/1 9	12/8/1 21	156	/38
Other (please define) _____	☐							
_____	☐							

Q&S #1 – 20

Q22. How would you rate the importance of the following criteria, on a scale of 1 to 5, in selecting external vendors for your organisation?



#6 No answer
#19 Ability to produce on time – sole dedication.
#20 Prior experience – too much could be detrimental

Q 21-40

Q39. Re applied knowledge – it would be standard – no specific apps.
Q40. Did not wish to answer.

Q22. How would you rate the importance of the following criteria, on a scale of 1 to 5, in selecting external vendors for your organisation?

	Never	1	2	3	4	5
Reputation	11		111	111	1111	11
Experience	1111				4444	4444 111
Technology	1111				111	4444 4444
Organisational strength	1111		4444 11	111	11	1
Cost/price	1111				1	4444 4444 1
Contractual terms and conditions	1111		4444 11	1111	11	
Quality of vendor personnel	1111		1	111	4444 1111	
Quality of service	1111					4444 4444 11 1
Size of vendor	1111		4444 4444	11	1	
Vendor's geographic coverage	1111		1	1	1	4444 4444
Prior experience in your organisation	1 1 1	11	4444 1111		1	1
Ability to supply h/w and s/w as well as services	1 1	111	4444 111	11		
Application and industry knowledge	1		11		111	4444 111
Other (please define) Financial security.						11

Q22. Not responsible for this type of selection.
Q26. No response – would have to be high quality, low cost expertise of an established local co.
Q31. Selection is not made in this manner. Control terms ①, Cost ②, Ability ③.
Q33 Never considered – would try to get best price at the time – policy is against this selection to purchase
Q34 Would target all these attributes for highest possible.

Who do you perceive to be the most important vendors with regard to:

Printing technology? ANALYSIS IN-DEPTH USERS.

.....

.....

Systems operations (FM) etc?

.....

.....

What would be the three most important reasons for your company to use an
services provider?

1. .....
2. .....
3. .....

Q22

What would be your principal selection criteria for selecting an outsourcing print v
(Please rate 1-5, 1 = low, 5 = high)

Reputation	1 2 3 4 5
Experience	1 2 3 4 5
Technology	1 2 3 4 5
Organisational strength	1 2 3 4 5
Cost/price	1 2 3 4 5
Contractual terms and conditions	1 2 3 4 5
Security	1 2 3 4 5
Quality of vendor personnel	1 2 3 4 5
Quality of service	1 2 3 4 5
Size of vendor	1 2 3 4 5
Vendor's geographic coverage	1 2 3 4 5

ANALYSIS

Q22 CONT

r experience in your organisation 1 2 3 4 5
lity to supply H/w and S/w as well as services 1 2 3 4 5
plication and industry knowledge 1 2 3 4 5
er (please define) 1 2 3 4 5

at is the most suitable type of vendor?

Confidence 5
Timing 5

Hardware manufacturer ❑
Print Bureau ❑
Outsourcing company etc. ❑
Other (Please define) ❑

important are the following characteristics of an external vendor in influencing sion to use that vendor (Please rate 1-5, 1 = low, 5 = high)

ls availability 1 2 3
ess to technology 1 2 3
ficulties in dealing with technological change/improvement 1 2 3
's 1 2 3
er Please define) 1 2 3

lly, I would like to ask you whether you have heard of EDOTECH?

Yes ❑ No ❑

), *explain that it is a joint venture between, Barclays Computer Operations a print outsourcing.*

ld an organisation like that be of interest to you?

Yes ❑ No ❑

YES, ask the following:

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	☐ _____
Print bureau	☐ 1111 ½ ½ 11 _____
Outsourcing company	☐ 111 ½ ½ 111 _____
Other (please define)	☐ 1111 _____

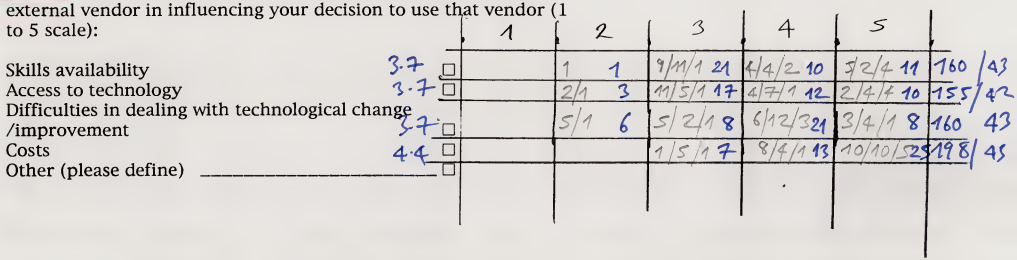
#21. Sister of similar type business.
23. Printing company.
24. other insurance company with capacity.
26. On a time & material basis if possible.
28 (Print bureau 1st – outsourcing 2nd)
29. Distribution company.
~~30~~. Anyone o'sea firm.
31. Don't know.
34. Again – applications + need dependent.
35 like both some times.

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	☐	
Print bureau	☐	~~4444~~ 11 — ~~7~~ + ~~7~~ = 14
Outsourcing company	☐	~~4444~~ 111 — 8 + 7 = 15
Other (please define)	☐	4

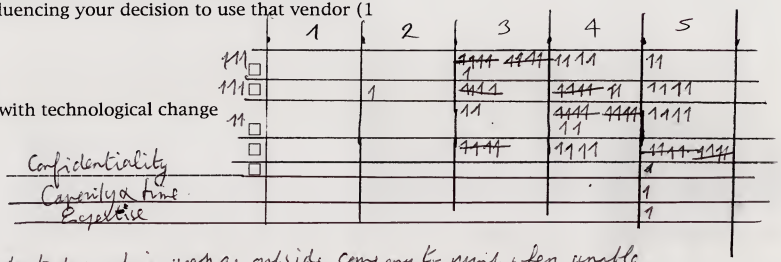
#2. Print bureau no longer competitive.
3. PB " best most experienced.
4. " currently use this type.
5. Full FM firm.
6. all have their use
7 PB for type of outsourced work.
18 If above was true of any firm – they would be rebated.
12. Large FM Groups
15 Print bureau belonging to FM Group.
17. Both together (PB + Osc firm)
18 " (")

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale):



Q21-40

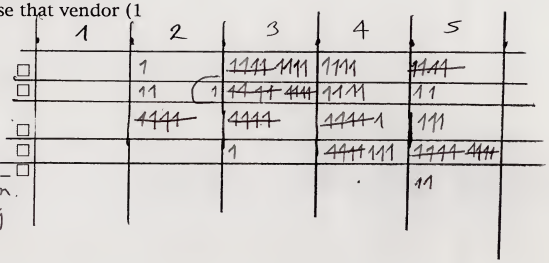
Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale):



#26. Understand sometimes uses an outside company to print when unable to meet own deadlines - would not blame

#40. For grade printing would be fair to be sent outside.

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale):



ANALYSIS IN-DEPTH USERS.

Prior experience in your organisation	1 2 3 4 5
Ability to supply H/w and S/w as well as services	1 2 3 4 5
Application and industry knowledge	1 2 3 4 5
Other (please define)	1 2 3 4 5

Q23. What is the most suitable type of vendor?

231

- Hardware manufacturer ❑
- Print Bureau ❑
- Outsourcing company etc. ❑
- Other (Please define) ❑

Q24. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 5
Access to technology	1 2 3 4 5
Difficulties in dealing with technological change/improvement	1 2 3 4 5
Costs	1 2 3 4 5
Other Please define)	1 2 3 4 5

Q25a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ❑ No ❑

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q25b. Would an organisation like that be of interest to you?

Yes ❑ No ❑

If YES, ask the following:

Q25c. What is your general impression of EDOTECH and the services they provide?

.....

.....

Q24d. If no opinion, why not?

.....

Q24a.

HEARD OF EDOTECH?

	60		I-d.	
YES	~~1111~~ 111 8	~~1111~~ 1111 9	11 2	19 40%
NO	~~1111~~ ~~1111~~ 1111 14	~~1111~~ 1111 9	1111 4	27 60%
	22	18	6	46

Q24b.

OF INTEREST?

#1. NO.
2. If they tendered they would be considered.
3. No.
4. Do not think so.
5. Not at this time.
6. Maybe in future.
7. No - financial mis-match.
8. No far too complex
9. No I do not intend outsourcing printing in general.
10. Could be - ?
11. NO.
12. Not at this time.
14. Not at all.
15. Do not think so - too high powered
16. I don't think so.
17. Do not think so.
18. Not now.
19. No - do not think so.
20. Do not think so.

Q24 f.

OF INTEREST ?

21. No.
22. Do not think so.
23. "
24. No.
25. No, financial reasons.
26. No, like it know who bank!
27. No.
28. Don't think so - not with a bank involved
29. No.
30. No.
31. No.
32. Not really.
33. —
34. Would be at cross purposes
35. No.
36. No way.
37. No.
38. No - for financial reasons
39. No
40. No.
41. No
42. No
43. No
44. —
45. Yes
46. D/K
47. Yes

3 YES

24 NO

7A MAYBE

3 D/K N/A

45

27 NO	58%
14 MAYBE	30
3 YES	6
3 D/K	6
47	100

Q24c.

IMPRESSION ?

#1. –
2. –
3. –
4. –
5. –
6. Good idea for them – question that they will be any better than others.
17. Have no actual data on performance.
18. A new approach – but difficult to integrate with present financial setup under services – have problems.
33. Not impressed by achievements (Safeway PLC)

41. Potential competitor : not likely
42. –
43. Barclays in house would take priority-worry. AA – Nil
44. –
45. –
46. –
47 –

Q24d.

WHY NO OPINION?

#1. –
2. –
3. –
4. –
5. –

V. BUYING PROCESSES + MARKETING CHANNELS

- TARGETING CUSTOMERS
- BUYING CRITERIA.

- COMMUNICATING WITH SELECTED TARGET CUSTOMERS

- TYPICAL BUYING PROCESS
- SALES CHANNEL ECONOMICS.

V. BUYING PROCESSES + MARKETING CHANNELS

✓ (VQ7.) Customer/client interfaces.
✓ (VQ7a.) Changes in these ↑.

✓ (VQ1b.) Partnering.
✓ (VQ1c.) Synergies with other aspects of business.

in-depth only...
✓ (UQ1a.) Who buys external services?
? (UQ1b.) Decision making process.

✓ (UQ12.) As in managing data centre + printing.
? (UQ13.) The same vendor.

✓ (UQ18.) one or many vendors.
✓ (UQ19.) ↑ anticipation of using such services.

MARKET GROWTH FACTORS ---

V

Printing
Outsourcing

① CMS 6.10.94

- At present all printing done on site at Doncaster (also some at Cambridge City Council)
- Would be interested in some-one offering print outsourcing
- Major needs:
  - good national coverage
  - coverage of south-east England
  - would typically require overnight print-runs followed by delivery following morning
  - technology is not an issue - they have advanced laser printers
- Additional benefits
  - would ~~all~~ enable them to cut down the cost of delivery
  - ~~could~~ increased flexibility - could do short runs at short notice.
- Profile of demand depends upon future clients but are potentially in a ~~like~~ bid now for which print outsourcing would be useful.

④ GEC Computer Services

- Primarily serve GEC companies – but around 130 of them in total
- They tend not to use centralised printing except for those clients (minority) that are close to main data centres
- Rest are served by RJE – approximately 1000 RJE printers in total
- One of the major problems at the moment is providing just a subset of a print-out e.g. control totals
- As a result they have diggiculty meeting demand for specialised printing services (especially mailings). For example, one company in the group needs to mail large numbers of maintenance agreements.
- They recently lost one ~~[illegible]~~ GEC contract which had a strong mailings element within it
- GEC CS would be prepared to outsource specialist printing & ~~[illegible]~~ areas such as Microfilming for companies within GEC group
  - also potential for serving print needs of new external customers
  - happy to consider outsourcing where capability is not one of their strengths

③ Digital

- Perceive that they have
  - good UK coverage
  - good technology
  - services expertise in assisting users in printing (an SI type unit within Digital)
  - major contracts where printing is a key/dominant part of the contract

- Believe that printing is a core activity within outsourcing that they would not wish to outsource.

② Philips 6.10.94

- Would not be interested in print outsourcing
- It's an area they are already active in
  - for example they do all Rank Xerox's laser printing in Austria

Vendor Q7.+a). CUSTOMER/CLIENT INTERFACES

#1.
- Sales team + Directors
- Sell directly to Finance Directors + sometimes IT managers – in smaller firms.
- Define account strategy to address business needs (driven by more mission critical docs.)
  ∴ need to understand clients' business + requirements.

#2.
- Sales team
- Sell to MD → down to whoever has resp. for print buying. (Frequently marketing people).
- No change anticipated.
- Sales execs need to become more self-sufficient + need less mktg svcs support.

#3
- New business salesteam → Board level.
- Use A/C Managers for day/day work + escalate issues as and when.
- DM work needs to focus on Marketing Directors/ Managers.

#4.
- Multi-layered account management system — see QA.

#5.
- Develop business through existing clients — NO DIRECT SALES FORCE — see QA.

#6.
- Sales force — no changes anticipated.

#7.
- EDOTECH — leads from IBM — see QA.

+a).

VQ7 (cont.)

#8. • Business via Operations Director or Business Development Manager
• Pseudo account managers....
• Change — introduce more formal a/c mnmgt.

#9. • Chairman + account mangers → senior people
• No change

#10. HOSKYNS.

#12 DM — client services → mid-level buyers...

#11 Direct sales force → Finance/operations occasionally IT

#13. New business salesforce
Project / account management — see qa.
No change

#14. Account mngrs to FD/MD.
No change.

#15 Recommendation — sales force nos.
FD / IT

#16. Sales force + a/c management team.
Change → increase a/c management activities.

#17. RX is H/W sales channel.

#18 Account Executives → mrktg dplmts. Note Full Time Sales Force
High level of repeat business..
No big changes

VENDOR Q1 b. PARTNERSHIPS TO EXTEND CAPABILITIES.

#1. No formal partnerships —.

#2. No formal partnerships – just sub-contracting.

#3. No formal partnerships – some sub-contracting.

#4. No formal partnerships – ad-hoc arrangements for ancillary services.

#5. partners with other organisations for finishing

#6. 3rd parties for bulk laser printing.

#7. EDOTECH – IBM + AXION (?)

#8. Association with a web ink printer + finishers

#9. No formal partners —

#10. Do not partner

#11. Yes for dealing with overflow + some ancillary work (RX)

#12. No formal partnering – back off capacity relationships

Vendor Q1 b. (cont).

#13 Partnerships for finishing + publishing (DIT).

#14 Partnerships for off-set litho or photocopying

#15. No

#16. Partner with mailing houses for finishing

#17. Partner with XPAL for finishing
+ for interfacing equipment---

#18. None formal — ad-hoc for overflow.

VENDOR Q1c. SYNERGIES WITH OTHER ASPECTS OF BUSINESS.

#1, Use of common resources across other firms in Group.

#2, between different parts of services eg DM work leads to stationery pre-print work.

#3. Printing is seen as integral to main processing service.

#4. Yes - client will learn about + present other activities within firm {laser print / data handling / mailing facilities}.

#5. Strong synergy between data/handling - database management service + subsequent printing integrated service is client benefit.

#6. Direct relationship between database work + subsequent printing

#7. Yes - one source of competitive edge . . . (EXOTECH).

#8. No (rare) synergies with other group firms. (FCS).

#9. No synergies.

#10. Cannot divorce printing from outsourcing services (HOSKYNS).

#11. Synergies between envelope + printing business.

#12. Highly integrated - lots of synergies / cross-selling.

Vendor Q1c. (cont.)

#13. Yes, definite synergies between 4 parts of org.

#14. Synergies between COM + laser (Microgen).

#15, Between COM/ laser printing/ finishing (Microsite).

#16. Direct relationship between IT work + print particularly re personalisation.

#17. Many with RX group - - -

#18. Yes, between label printing/ list rental + laser printing.

USER QUESTION 1.

	♂		I-d			
IS CENTRAL PERSONNEL	~~1111 1111 4444 1111 1111111111~~	(32)	11(1044) 1	(3)	35	74%
USER DEPARTMENT PERSONNEL	11	(2)	111	(3)	5	11
THIRD-PARTY VENDOR		~		~		
BOTH	1111	(4)	1	(1)	5	11
AT HIGHER LEVEL	1	(1)		–	1	2
NO RESPONSE	1	(1)			1	2
		40		7	47	

- Several commented that decisions were made at a high-level above IT. (111)

In depth User Interviews .....

VQ1b.

#41. Out to tender to 3 — approved list of 50.

#42. Market view, survey, prices, assessment, report to our IS.

#43. Main set of vendors — but not approved list, but clients must approve
3 competitive tenders ...

#44. —

#45. Investigate, quotes, recommend + M.D. decision.

#46. Competitive tendering — CFM as FM supplier.

#47 Depends on campaign
— ~~3rd party~~ clients sometimes dictate.
Regular approved list — new ones on quote from 3.

UQ12.

D/C v PRINTING.

#1. (NO) Part of same (organisation)
2. Yes - each department runs own printing ops as required by that dept and not IT.
3. NO.
4. NO.
5. YES - no longer manage as such a print operation.
6. No - part of that organisation.
7. None
8. –
9. No.
10. No.
11. No.
12. Yes FM Manages data centre.
13. None.
14. Yes - external management is responsible for printing ops as such.
15. Yes just outside management to run external printing operations - partial FM.
16. Part of the same management.
17. No significant ones - or there should not be.
18. Yes - localised printing is by department - data on to just one.
19. Not applicable - internal printing is departmental.
20. No.

Q 12.

D/C v PRINTING

#21. No.
22. None
23. No.
24. No.
25. No.
26. All the same management.
27. No.
28. Same as all management procedures
29. No
30. No
31. No.
32. No
33. No.
34. No.
35. Yes printing department is located and managed as a unit.
36. No, other than it's not self contained totally within data centre.
37. No.
38. No.
39. Hope not – no.
40. Not part of same organisation.

34 8 NA 1 = 40.

U Q18. [illegible]

WHY?

#1 One would be best solution.
2. Due to nature of structure – and govt. regulations. Each department will have to tender only its own printing if required.
3. Not thought this out – at moment use more than one.
4. As required – no one company is able to support or provide all requirements.
5. Ease of control and management.
6. Selective – by nature of expected output, volume etc.
7. (One) – Management and accountability.
8. (One) – Ease of management.
9. (One) – Too many people involved makes solving problems harder.
10. (One) less to go wrong.
11. (One) less hassle.
12. (One) Ease of control + management accountability.
13. (One) Again security + confidentiality of data.
14. (One) But use many – reviewing this.
15. (One) If possible – less hassle.
16. (One) Management of (one) is less costly.
17. (One) As far as possible – otherwise management is increased and cross problems arise.
18. (One) If possible (better managed).
19. (One) Ease of management.
20. (One) If possible – best managed.

Q18 (cont.)

WHY ?

#21. Less hassle.
22. Depends on circumstances.
23. Best able to be handled.
24. Why have more!
25. Better control.
26. N/A.
27. Only one company to deal with.
28. D/K – not thought about it.
29. Ease of control.
30. Simple
31. Makes no matter – as required.
32. Would try to use as few as possible – ease to administrate.
33 D/K.
34. Depends on applications.
35. Use many now.
36. None.
37. One if possible
38. Prefer only one contact
39. The least the better
40. Depends on requirements and abilities of supplies.

Q18 WHY ? ----

- Government (#2).
- Care of control & management / administration...

VENDOR Q9.

ANY INTERESTING CLIENT SITES?

#1. Save & Prosper

#2. —

#3. —

#4. Worldwide customer loyalty programme
- multiple languages.

#5. —

#6. —

#7 Dun & Bradstreet
Heineman

#8. Milkman's sound stocks.

#9. Integrated plastic cards for membership organisations.
+

#10. —

#11. Eurotunnel.

#12. —

#13. —

#14. —

#15. —

#16. —

#17. —

#18.

VENDOR Q10.

ANYTHING ELSE

#1. See diagram in QA write up.
#2. —
#3. —
#4. —
#5. Distinction between continuous + ~~cost~~ sleaf fed parts of barriers.
#6.
#7. Network costs are removing price from the agenda eg for Supermarket price books + Customer Loyalty Programmes eg Air Miles.
#8. —
#9. —
#10. —
#11. The problems of making money — management reports to clients.
#12. —
#13. —
#14. —
#15. —
#16. —
#17. —
#18.

U Q19. HOW SOON?

#1. Would not at moment – what services are ... for we services are on open tendering. (?)
2. Starting this year – our department will be tendering to keep own work!
3. Always introducing outsourcing contracts when and where required against national Tendering.
4. No plans
5. Already do so.
6. No idea.
7. Another two years – volume going down slowly.
8. Do not know if ever will – have enough capacity in own + wider organisation regarding printing ability.
9 Market share must increase 2 fold + could be up to 5 years.
10. No plans.
11. Next two years.
12. Have already done 80%.
13. ?
14. Using now.
15. No planned changes from current ops.
16. No – not in near future.
17. None at moment. – very difficult to get all printing operations together and export them – applications maybe.
18. Nothing planned.
19. Using it.
20. Have no known plans to increase wreage.

Q19. HOW SOON ?

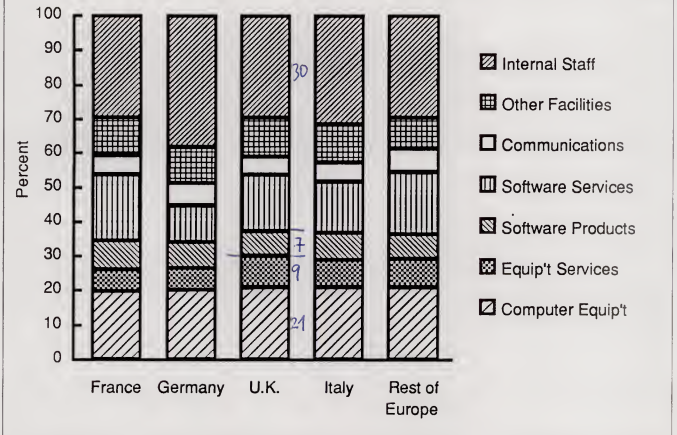
#21. Next 2 yrs.
22 Nothing planned.
23. Still being investigated!
24. Do not know if ever would.
25 At least another 3 years.
26 N/A.
27. Nothing planned – being thought about long – term.
28. Do not.
29. 2 years for certain aspects only.
30 Do not – not policy on this & other ops with customer data.
31. Not on cards at the moment – any service that is outsourced has to be given to open tender process.
32 No sensitive applications in 2-3yrs – dependent upon business and economics.
33. D/K.
34. Some already has been used in part – again based on need.
35. Currently use 4 firms on & off as required.
36. N/A.
37. Near future – depends on Government, new regulations (Local Govt).
38. Waiting on management.
39. D/K.
40. As far as known no plans are in place.

USER Qs 7 + 8. (In-depth only).

#41 Use of Composition software.
42 Reduce amount of laser printing.
43 20% +
44 –
45 –
46 No real increase in demand unless local govt rules change.
47. Gradual increase expected.

EXHIBIT III-3

Comparative IT Spend Budget Component by Major Country



Percent of IT Spend on Budget Component	France	Germany	U.K.	Italy	Rest of Europe	Europe
Internal Staff	30	38	30	32	30	32
Other Facilities	11	10	11	11	9	10
Communications	5	6	5	6	7	6
Software Services	19	11	16	14	18	16
Software Products	8	7	7	8	7	7
Equipment Services	6	6	9	8	9	8
Computer Equipment	20	20	21	21	21	21

Note: Numbers may not add up due to rounding.

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UQ2 c

	6°	Id
YES	~~4444 1444~~ ~~4444~~ 1111	
NO	9	
SPLIT	#23	

19 + 15 + 7 = 41

6

47

#22 Very much no.
#28 30% only

UQ2 c). 1-21

CRITICALITY OF APPLICATIONS TO ORGANISATION

	60	I-d
YES	~~1111~~ ~~1111~~ ~~1111~~ 15	~~1111~~ 11
NO		
SPLIT	~~1111~~	

UQ#7 10% internal - 90% to customas.
UQ#15 NOT ALL.

UQ2 d).

CRITICAL APPLICATIONS + WHY?

#1. FINANCIAL TREASURY INFO.
2 CUSTOMER RELATED (LG) + FINANCIAL
3. LG APPLICATIONS.
4. LG " .
5. " .
6. Financial + administration.
7. Billing / reminders etc.
8. Customer billing & statements
9. Insurance proposals + statements. + financial.
10. All connected with money flows in + out of B. Society
11. All billing procedures + processes is hard copy + Financial.
12. Billing – money flow.
13. BILLING – MONEY COLLECTION.
14. Used for external invoicing / billing etc.
15. Financial Reports + MI are
16. Not all, but Govt. regulations / tax reasons and other high risk security reasons – still 80% of original 100% (MR2) data is still critical.
17. Billing is most important – (90% of external out-going printing is very important)
18. All management / admin / financial records.
19. All material posted internally is for managerial records + financial archives – 80% is critical due to survival plans.
20. All applications – no alternatives yet fully in place.

UQ 2 d).

CRITICAL APPLICATIONS + WHY?

#21 Covers all financial and contractual business of the company.

22. All the bank's business with & to customers is critical, plus insurance policy & statements 75% of print goes out.

23. All unit trust notices, client info + insurance proposals etc. All are financial input/output type docs. Most internal business stopped

24. Policy statements - pension business etc - very sensitive area.

25. Payroll accounts.

26. Billing/accounting/payroll (financial) critical = ~~cost~~

27. Confirmations/Bookings/Billing/Accounts/Credit/Finance

28. 50% are billings

29. Financial & commercial - critical to Renorf

30. Payroll/debits/commissions/legal/cheques - all financially critical

31. Government tax, financial statements, PAYROLL, cheques etc.

32. Most of the applications are concerned with money movement, credit/debit, also policy statements - all very critical.

33 Financial applications - gathering & paying money.

34 All printing for outside - (see qa)

35 All own companies customer based statements etc - also bring work to keep capacity up + costs down.

36 All normal client communication type docs - on insurance pension etc - internal accounts + payroll/banking.

37. Payrolls, banking, cheques, credits/debits etc all critical.

38. Policies + schedules - Financial statements etc.

39. Agreements, statements, debiting payroll all highly critical business apps. core business needs

40. All customer contact, statements, proposals, contracts etc all are a major part of the financial side of the insurance business of the company.

UQ 3

CRITICALITY OF PRINTING OPERATIONS.

#1. Less so.
2. More critical
3. More + more of a burden, additional outsourcing is always being looked at.
4. LESS SO.
5. Far less → electronic distribution.
6. Not sure critical is correct word – amount is increasing and more is being required.
7. Remains critical.
8. Less + less volume.
9. Less critical (80%) of total
10. More critical – due to restricted information allowed on non-paper processing.
11. Static – less paper now, introducing planned image process.
12. Criticality increasing – volume decreasing.
13. JUST AS CRITICAL BUT (VOLUME) decreasing.
14. Less, but larger in volume.
15. Less, moving towards after electronic processing and distribution.
16. Some – most to do with general customer related documents.
17. More critical as customer base grows.
18. More + more paper is produced due to the need for more reports.
19. Less – planned to remove as many as possible to other forms of presentation + storage.
20. Less.

UQ 3

CRITICALITY OF PRINTING OPERATIONS.

#21. More critical.
22. More critical + more of it.
23. That left is now more critical.
24. More critical due (to) new regulations.
25. Static
26. Less – try to use less + less moving to auto distribution network.
27. More critical – paper use going up – introducing image + distribution – very little effect so far.
28. More critical externally.
29. Remaining about the same
30. More
31. What's left is still critical.
32. Static – Business is increasing – which is increasing use of paper + forms
33. As number is reduced – criticality is going up (Policy to go to no paper for internal dist.)
34. 80% of total is still critical.
35. More critical on outside – internal becoming less.
36. Less critical
37. Yes as more applications become critical – Use of application is dropping.
38. Remains the same at moment.
39. About the same
40. More critical to customers – less critical to company ops.

a) SATISFIED WITH. Q#1 – 20

#1 Introduction of electronic mail & distribution.
2. Keeping (paper) volume static for past 2 years.
3. Not really – at the moment nothing is being fully completed to total satisfaction.
4. Introduction of MIS.
5. Introduction of document/management operations.
6. Being able to meet current capacity requirements
7. General introduction of electronic receiving + internal distribution.
8. Introduction of electronic distribution
9. Introducing distribution net.
10. Keeping volume static and reducing internal paper use.
11. Introduction of new PC viewer net.
12. Less management hands on.
13. Introduction of internal electronic/distribution & retrieval systems.
14. Financial E-Mail + distribution of MI
15. Current management.
16. Containment of additional 5-8% requirement.
17. Introduction of new technology in to the operations
18. Do not have a consolidated in-house print op as such – each is departmental
19. Reducing over-all printing bill.
20. A good 10% reduction in overall printing.

Q4.

a) SATISFIED WITH

Q# 21 – 40

21. Introduction of WSS system
22. Nothing.
23. Introduction of SAR & Image system.
24. Introduction of IMAGE Processing for storage in future (Not allowed to be used yet – ready to go)
25. Replacement of old technologies.
26. Introduction of new volume UK distribution system (UK CO-OP Link Warehouse Distribution + acorp of cooperative)
27. Managing with current equipment.
28. Introduction of IM system for internal transfers.
29. Transfer from impact to laser.
30. Introduction of report distribution.
31. Continue policy of reducing amount of paper usage across all departments.
32. Reducing print needs by targeted 10% over last two years (electronic distribution 40% effective).
33. Switch to electronic distribution.
34. Introduction of new technologies that is cutting down the use of any type of paper for internal communications.
35. Bring throughput up to max – while keeping costs down.
36. No reason project introduced – just generally satisfied with ops.
37. General print ops + feature changes now agreed.
38. The start of the introduction of Image processing.
39. Maintain normal operations – no real problems.
40. Coping with high demands.

Q4b. Q#1 - 20

PROBLEMS.

#1. Switching to automatic distribution of treasury reports.
2. Introducing internal reduction has not yet started - lack of plans
3. The ever-increasing demands on equipment.
4. Volume.
5. Current study into alternatives is not progressing fast enough.
6. Ever-increasing time problems - faster throughput is required.
7. Speed of introduction of Image systems.
8. Moving into electronic image + financial bank applications.
9. Need image documentation system.
10. Planning of introduction of some form of automatic doc. retrieval system.
11. Increasing costs (alternatives to paper - introduction costs are very high).
12. Keeping up with change requirements placed on system ops by other organisations.
13. Security.
14. Due to reduction in house of internal used printing have spare capacity.
15. None.
16. Trying to cope with new & extra demands on both systems and printing capacity.
17. Yes - many.
18. -
19. Providing time management to alternative technologies.
20. Peak monthly cycle.

Q4-b.

PROBLEMS.

21 /// Security
22 ▬ Volume & age of equipment
23. o Legalities of Image Docs.
24 ▬ Additional business is putting capacity to limit + over.
25. None.
26. || Software (IBM)
27 ▬ Additional demands on services by internal departments.
28. || Because of using less internal paper – need to bring in external printing work – to bring up to capacity here (see QA).
29 ▬ Not enough time to print all requirements.
30. || Increase in software problems.
31. # Yes – funding for additional improvements.
32. || Switch modes to allow printer ops.
33 # Finding funds for image pros / & storage.
34 ▬ Always have some problems – mostly throughput & quality
35 ▬ Age of equipment – breakdowns becoming problem.
36. No large problems at the moment.
37 # Trying to change hardware types. Would like to go to Xerox but money is the problem.
38. / Folding & Finishing operations management.
39. o Have had no real success over last year.
40. || Peak throughput – capacity / time problems.

43. ▬
46 ▬

USER Q 5a / 5b. (In-depth only.)

a) # Improvements

YES: 111

NO: 111

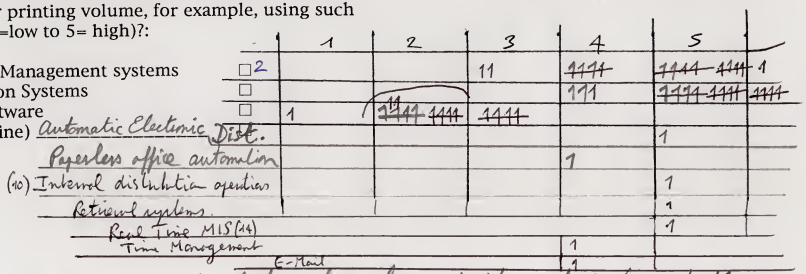
#42. Colour.
#43 ORIGAMI New folding applicat
#45 Existing supplier inadequate.

b) Current Budget sufficient

YES: 11111

NO: 1

Q9. What is your level of interest in using other technologies to cut down on your printing volume, for example, using such technologies as(1=low to 5= high)?:



#3. Very high l.of i. but low priority of implementation...

#16. No response.

#17 Print cycles are not being used in an even distribution across allowed time span. Peaks still causing capacity problems.

#18. Working with all high end technology

Q# 21-40

Q9. What is your level of interest in using other technologies to cut down on your printing volume, for example, using such technologies as(1=low to 5= high)?:

	N/A	1	2	3	4	5
Document Image Management systems	1 ☐	1	~~4444~~ 11	11	1111	~~4444~~
Report Distribution Systems	1 ☐			111	111	~~4444 4444~~ 111
Forms Design Software	☐	11	~~4444 4444~~	1		
Other (please define) _____	☐		~~4444~~ 11			

#23 Automatic electronic distribution has reduced needs (internal only) of paper.
#24 RDS being investigated
#31 DIM – too costly.
#32 DIM being investigated, RDS being used.
#34 DIM – none being used RDS – in use now. Form design – active
#36. DIM – gone away from idea at the moment due to cost.

ANALYSIS — IN-DEPTH USERS:

If little change, why is this?

Q 9

What is your level of interest in using other technologies to cut down on volume, for example, using such technologies as these: (Please rate 1-5, 1 = low

Document Image Management Systems	1 2 3 4 5
Report Distribution Systems	1 2 3 4 5
Forms Design Software	1 2 3 4 5
Other (Please define)	1 2 3 4 5

Chad Manhattan | OCR / RX | EMAIL

Cordill – no response

~~#18~~ Q#1-20.

#18. No response to 1-5. Interested in all as it develops – most bulk customer oriented printing and associated services are covered by agreement with outside contractors.

#19. Have bulk of non-laser printing re custom statements/demands etc carried out externally no plans to bring back in.

Attitudes to Services

Q10. What is your level of interest in the following print related services (1=low to 5= high)?

	1	2	3	4	5
Data Analysis/data base design	~~1111~~ 111	~~1111~~ ~~1111~~	11		
Use of Composition Software	1111	~~1111~~ 111	~~1111~~ 1	1	
Printing design (business forms)	~~1111~~	~~1111~~ ~~1111~~ 1	111	1	
Finishing (guillotining, folding, lamination, hole punching)	~~1111~~ ~~1111~~	~~11~~ ~~11~~	1		11
Mail sort, postal rebate and despatch	~~1111~~ ~~1111~~ 11	111	11	~~1111~~ 1111	1
Electronic delivery of information to replace paper				~~1111~~ ~~1111~~	~~1111~~ 11
Others (please define) Electronic Mail				1	
Cost reduction (13)					1

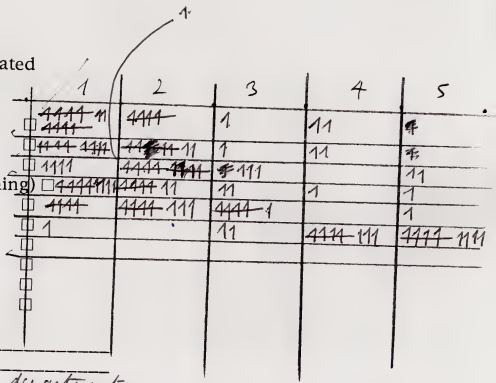
#2. Has own dedicated department for Finishing + mail sort.
#4 Printing design, finishing, mail sort – concern of others.
#6 All are being developed + have already own department
#7 Looking into finishing being outsourced if local firms are + have ability.
#10 Have own department for forms design/analysis and finishing.
#15 Most of bulk finishing/postal/despatch is handled by outside operations not full FM.
#16. All handled by internal services, only data prep is done outside + brought in to print.
#17 1 to 5 above are all carried out by own-staff - but under other management from print ops.

Q# 21 - 40

Attitudes to Services

Q10. What is your level of interest in the following print related services (1=low to 5= high)?

Data Analysis/data base design
Use of Composition Software
Printing design (business forms)
Finishing (guillotining, folding, lamination, hole punching)
Mail sort, postal rebate and despatch
Electronic delivery of information to replace paper
Others (please define) _____



#22 This is split responsibilities across departments.
#23 Looking @ alternative ways of finishing rather than using own staff
#25 Have own internal department that covers all above.
#29 May be looking for an external mail/posting contract soon.
#30. Have introduced both cost + paper savings over past 2 yrs – change effect now closed down.
#35. Starting to go-outside for pre-print work now.
#40 (Ratings are own department interest – not company.)

Q10 IN-DEPTH USERS :

What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

Data Analysis/Data Base Design	1 2 3 4
Use of Composition Software	1 2 3 4
Printing Design (Business Forms)	1 2 3 4
Finishing (Guillotining, folding Lamination, Hole punching)	1 2 3 4
Mail sort, postal rebate and despatch	1 2 3 4
Electronic delivery of information to replace paper	1 2 3 4
Others (Please define)	1 2 3 4
.....	1 2 3 4
.....	1 2 3 4

Envelopes 5
Teletext

#s 1-20

UQ11. Page 4.

ANY OUT SOURCING ?

#1. From some departments – not from data centre.
2. Yes. Mainframe line printer operations for poll tax control + payment.
3. Yes – some billing + demands, plus most of the housing depts needs.
4. YES – Electoral / Housing / Tax.
5. YES – all m/f printing including major laser – is outsourced to an FM firm.
6. No, kept in-house @ Luton.
7. Not at moment.
8. Yes high volume statement printing to an external bureau. (Abbey–National).
9. No.
10. No.
11. Not at moment.
12. Yes – all forward billing – account still in-house could move out.
13. No.
14. Yes, use remote bureau for monthly demands etc – 2¾ million sheets / month.
15. Yes – main billing of cutsheet and distribution of unformed type documents is 80% of laser output.
16. Very small amount.
17. Yes – 20 %.
18. Yes – major mail/printing requirements – pre/systems – Europe.
19. Yes – but no laser
20. A small amount – bulk information release type jobs.

Q 11.

ANY OUTSOURCING ?

#21. None at moment.
22. None
23. None planned because of security of data.
24. None – never will be.
25. None.
26. No.
27. Yes – professional colour printing requirements
28. None.
29. None.
30. No.
31. Yes – non-critical – standard information letters etc.
32. Very little.
33. None.
34. Only pre-print + leaflets.
35. Very little – all pre-print will be out by end of year.
36. No.
37. Not at moment – sometimes under pressure – some is released to Microgen.
38. No – was some to Microgen.
39. None.
40. Some non contractual type printing ie (information type) docs / brochures etc.

USER Q 12.

Yes:	No:	N/A
#2, #5, #12 #14, #15, #18, #35, #40	~~1111 1111~~ ~~1111 1111~~ ~~1111 1111~~ 1	1
(8) 20%	(31) 80%	(1)

N.B.
No analysis of in-depth - do not appear to have revealed anything.

Localised printing

Data centre is FM'd or vice-versa.

• USER Qs 13–15 {IN-DEPTH ONLY}.

Q14a. BENEFITS OF OUTSOURCING:

Use vast array of technology + innovations.

Deal with large capacity requirements.

Contingency back/up.

Reduce capital requirement

Do not need specialist technical staff.

Management handled by an expert

Staff, equipment, premises to handle sizeable mailings.

Access to experience and lowered overheads.

Improved service + quality

UQ17.

BENEFITS OF PRINT OUTSOURCING.

1. Reduce overheads if all farmed out.
2. When possible – cost reduction.
3. High volume / standard runs – single applications could produce cost savings.
4. For some jobs – relevance of bulk – and costs.
5. Cost reductions – ease of management.
6. Some bulk work in respect of to central printing could be carried out for less cost if separated.
7. Less problems with paper flow and process.
8. High volume / less cost / less risk processing.
9. Less management in production of print – and of total cost savings.
10. Some postal / delivery services could / maybe cost effective.
11. Would have to be cost.
12. General production improvements + cost.
13. Cost reduction on large volume ops.
14. Cost effective bulk operations.
15. It has been the periodic bulk printing of customer billing – reduced both costs & management.
16. Have to be costs + need of additional capacity.
17. Some repetitive low priority – non critical can have a cost reduction aspect – utilizing external resources.
18. Cost savings – or should be.
19. Cost savings / less capital expenditure.
20. For some production, could be release of capacity and overall cost reduction.

Q17.

BENEFITS OF PRINT OUTSOURCING.

Q21. — (Costs implied) re Q16.
22 Non critical work might give a reduced cost – ?
23. Cost of operation would reduce.
24. Some non critical / restrictive material could be off-loaded to reduce overload situation.
25. Could be some cost savings if split up.
26. None.
27. Should reduce overheads & distribution costs.
28. None – need to bring in work not send it out!
29. Less manpower and hand operations required.
30. Manpower savings.
31. Cost – it would only be done for that reason.
32. Reduction in over-all costs.
33. It would be cost of use.
34. D/K.
35. Always on a cost basis.
36. None without high risk
37. It would be cost reduction.
38. On finishing it – both handle + cost.
39. I would expect it to be some form of saving.
40. I suspect it would be cost based.

U Q16 b.

WHY / WHY NOT?

WHY NOT

#1 Each department is responsible for own printing and how it is managed.

2. It is not all located within one area of responsibility — impractical.

D/K 3. Too complicated — printing is divided up into 4 depts.

4. Have own printing department and other one split across all depts. as well as data centre.

5. —

6. Not practical + secure enough. (Financial based printing - company, accounts etc.)

7. Security + confidentiality.

8. Now under capacity and changing over to non-printing technologies.

9. Volume is still not large enough to be of benefit in reducing costs.

10. Due to nature of information and financial security.

11. —

12. Board directive - only cost effective large volumes to be considered for FM.

13. Information security / confidence levels.

14. Internal reports etc — company business only.

15. Internal functions including printing of sensitive and confidential material has to remain internal.

16. Restrictions & Policy.

17. Policy - need to retain as much work internally as possible - do not like fragmentation.

18. For security + business reasons.

? 19. Not good business practice - must use own internal resources.

20. Against both costs + policy - restricted information.

Q16 b. WHY / WHY NOT ?

WHY NOT

#21. —
22. Not good business for a bank.
23 —
24 Too sensitive information for others.
25. Tot- security + confidentiality.
26. NO – integral part of business.
27. —
28. Need to keep whole department working to MAX capacity to keep costs down.
29. Need actual printing to be done in-house due to nature – other actions could go out.
30. Sensitivity of information.
31. Against present policy.
32. Not under consideration at the moment.
33. Not policy
D/K * 34. Not under discussion at moment – subject does get renewed.
35 –
36. Restricted data – personal information client's data.
37. Not policy.
38. ~~Finishing is a problem~~
39. This is a company management type question – from qs point of view NO.
40. Not up to this management.

Q16 t cont.

WHY.

#5. Currently it is outsourced.
#11. No comment.
~~#19.~~

Q 16 f- cont.

WHY.

#21. Costs – last review estimated could achieve a 20% saving – did not go with outsourcing because of security

23. Time & labour content is very high

~~24~~ Only finishing – labour intensive

~~2~~

35. Need at times to outsource some work.

36. ~~None without high risk~~

38. Finishing is a problem.

User Q16 b — WHY NOT OUTSOURCE ----

- Not practical / too complicated
- Not secure / confidential.
- ~~Volume too~~
- Company policy not too.

USER Q18:

REASONS FOR ONE VENDOR:

- Ease of control + management.
  1111

REASONS FOR MULTIPLE VENDORS:

- One firm can't do everything.
  - requirements + capabilities of suppliers.

ANALYSIS of USERS

Q9. What is your level of interest in using other technologies to cut down on your printing volume, for example, using such technologies as(1=low to 5= high)?:

	1	2	3	4	5
☐ Document Image Management systems			11	4444	4444 4444 1
☐ Report Distribution Systems				111	4444 4444 4444
☐ Forms Design Software	1	4444 4444	4444		
☐ Other (please define) electronic dist.					11
✓ Paperless office				1	
2 Retrieval systems					1
3 Real-time MIS					1
Time management				1	
E-mail				1	

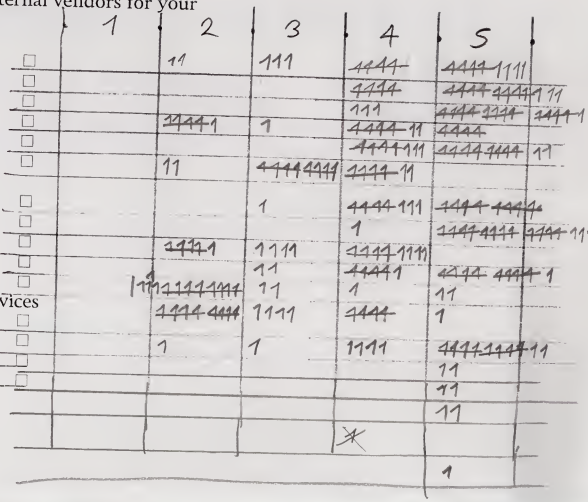
Attitudes to Services

Q10. What is your level of interest in the following print related services (1=low to 5= high)?

	1	2	3	4	5
Data Analysis/data base design	4444 111	4444 1111	11		
Use of Composition Software	1111	4444 111	4444 1	1	
Printing design (business forms)	11111	4444 4444	11	1	
Finishing (guillotining, folding, lamination, hole punching)	4444 * 111	1111	11		11
Mail sort, postal rebate and despatch	111 * 4444	1111	11	111	1
Electronic delivery of information to replace paper				(4444 4444	4444 11
Others (please define) E-MAIL Cost reduction				1	
					1

* Increase has in-house

Q22. How would you rate the importance of the following criteria, on a scale of 1 to 5, in selecting external vendors for your organisation?



Q23a. What is the most suitable type of vendor?

Hardware manufacturer ☐ _____
Print bureau ☐ (no longer competitive) 1 (most perceived) ~~1111~~ 1
Outsourcing company ☐ ~~1111~~ ~~1111~~ 1
Other (please define) ☐ _____

Print bureau belonging to FM Group

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (1 to 5 scale):

	1	2	3	4	5
☐ Skills availability		1	4444 1111	1111	4444 1
☐ Access to technology		11	4444 1111	4444	11
☐ Difficulties in dealing with technological change /improvement		4444	4444	4444 11	111
☐ Costs			1	4444 111	4444 4444
☐ Other (please define) _____					11

Throughput Production

Print Outsource Vendors

30-Aug-94

Name	Contact Made	Appointment Fixed	Interview Complete	Report Complete	Contact Name 1	Telephone Number	Contact Name 2	Telephone Number
Axis Resources	1	1	1	1 (1)	John Hazledon	0279 822027		
BDC Printing - Lasermail	1	1	1	1 (2)	Seline Dolan	0332 347123		
CCN	1	1			Chris Savage/Jim Hodg	0602863864/538247	Sharon Jolly	
Centrefile	1	1	1	1 (3)	David Worsfold	071 410 3422	Geoff Downer	071 410 3135
CFM	1	1	to Eur	1000	Malcolm Miller	0925 236600	Sarah Middleton	0628 488888
Computer Posting Group	1	1	1	1 (4)	Graham Sandford	081 648 4873		
Copechat Direct	1	1			David Blackwell	0453 764401		
Crawfords Computing	1	1	1	1 (5)	Brian Gormley	051 259 6129		
Database Group	1	1	1	1 (6)	Mike Wass	0272 291571	Shane Baylis	
EDOTECH (Barclays/IBM)	1	1	1	1 (7)	David Martin Bus Supp	0452 617011		
FCS	1	1	1	1 (8)	James Kirby	021 328 3858		
FDR First Data Resources	1	1 Mail			Barry Brown Client Svc	0273 555226		
GWC (DMS)	1	1			Geraldine Davey Mktg	0793 542642		
Hobs Direct Mail	1	1	1	1 (9)	Neil Pike Chairman	0536 416002		
Hoskyns	1	1	1	1 (10)	John Harris	071 434 8622		
IFM (Hefax)								
Kenrick & Jefferson	1	1	1	1 (11)	Steve Adams Comm Di	021 553 1001	L M Borwick MD	021 553 1001
Mail Marketing	1	1	1	1 (12)	Brian Potter	0272 666900		
MBA	1	1	1	1 (13)	Ian Page	081 365 1888		
Microgen	1	1	1	1 (14)	Dave Herridge	0794 513789		
MR Microrite	1	1	1	1 (15)	Dave Whitnell	071 251 2003		
Printronic International	1	1	1	1 (16)	Diana Lucas	081 946 7537		
Ralton	1				Colin Richards Mktg	0793 726000	Ian Munro MD	0793 72600
Rank Xerox	1	1	1	1 (17)	Mike Braggins/Mark Wa	0895 251133 x3489	Malcolm Wells	0895 251133
Roetarn	1	1	1	1 (18)	Phil Conacher	0272 724400		
RR Donelley	1				Brian Barnet Mktg	0274 370720		
Sema Group	1				Amanda Carson	021 627 5500		
Total	26	22	18	18				

(SARAH MIDDLETON 458858)

INPUT PRINT OUTSOURCING CFM MARLOW 0628 458088 (Fax)
(MARLOWTON MILLCOM MILTON Fax 134)

USER CLARE MOUNTAIN BOURNEMOUTH RICHARD MOOR

VENDORS VALUDATA ?? BARCLAYS CAPS KNUTSFORD ??

RALTON SWINDON IAN MUNRO HD (CAC RICHARDS MKTG) 0793 726000

✓ CENTREFILE LONDON

✓ AXIS RESOURCES HARLOW 1st Page 071 365 4888 MBA 10.00pm 19/8/94

SIEMA BIRMINGHAM Amanda Carson 021 627 5500

✓ HOSKYNS LONDON

XEROX UXBRIDGE

✓ FCS BIRMINGHAM BIRMINGHAM JAMES KIRBY 021 326 6742

ATTT ISTEL OXFORD NO REPLY 0705 53535 ? may

✓ CRAWFORDS COMPUTING LIVERPOOL

~~LASERSHIFT~~ LONDON 071 250 3377 Hi DJ Well MR Data → Alexandra (MAIDENHEAD (0628 20122)) Sam Bentham (S/A)

✓ MR MICROFITE LONDON DAVE WHITNELL NADA PRINT (0582) 1.00 SARAH JONES 071 251 8667 Mkty Exec Pro

RR DONNELLEY BRADFORD (Heather Fox) 0274 370220 ALDERMARET Director Marketing Sales Council (Manager Dir) STEVE ADAMS

KENWICK & JEFFERSON WEST BROMWICH 021 553 1001 L.N. DERWICK(MD) Mkt Exec

✓ MICROGEN WINDSOR / RAMSEY 2.30. 0794 513789 DAVE HERRIDGE (0344 899265 DOUGLAS LEE)

✓ COPECHAT DIRECT STROUD DAVID BLACKWELL MKTG MGR 0453 764401 - Fri 19/8

✓ ~~HOBS~~ ~~LASERSHIFT~~ DIRECT MAIL KETTERING NEIL PIKE CHAIRMAN 0536 416426

GWC (DMS) SWINDON Geraldine Davey 0793 592692 Thurs 18/8

✓ COMPUTER POSTING CO MITCHAM 081 646 1031 GRAHAM STANFORD MGR. 9.am 16/8 16/8 call

DATA SCIRVICES ?

~~CAPS~~ ~~CROYDON~~

✓ PRINTRONIC INT. WIMBLEDON 081 946 7537 DIANE LUCAS Mon 15 Aug Contact Tony Tilly Clay Thurs Aug 25 Fri Aug 26

~~USERS~~ GCN MKTG NOTTINGHAM 0602 (849799) 853864 Chris Savage 16/8 2.00pm

USER? VENDA Database Mgt. BRISTOL - 0272 291571 LONDON - (071 938 3018 Neil Penny - Murray, John) SHANE DAVIS asst Steve Dia. MIKE WISS

USER AMERICAN EXPRESS BRIGHTON

" WOOLWORTHS ROCHDALE.

" PLESSEY ? WEYBRIDGE

✓ BIC Printy, Smiles / Lowmail JERSEY 0532 347123 Sales Dalia (15/8)

User Waterfords Dairy

" May Rhan Cakes.

" Tropicana Plans Ford Rd, Essex 0342 825123 Jennette Mowell 16/8

Mail Marketing BRISTOL 0272 666900 Brian Potter

Rodham 0272 729400 Phil Comacher

World Wide – Electronic Recording Corp. of Calif. Jim STAND at RHM. April display in Atlanta
Calif INT
EXPLORE User Typ. 0799 530579
EXPERT RX user group Allied Indus.
Norwich Union Point to Point

VENDORS	Davis	Report	MAI	CONT
	Cartefile	✓	~~Mail Team~~ ✓	- RR Donnelley
	Axis	✓	[redacted]	- Kendall + Jefferson
	Hodgsons	✓	~~- M&A~~	- Mail Mkty
	FCS	✓	[- CNC - No Chase] MAI/M.	~~Reaction~~
	Comfords	✓	- Copy Chat Direct - Mon	Relton
	MR Micronite	✓	- ~~Reprint~~	0565 614000 Analogy Sys 634423
	Micrygen	✓	[- CFM]	FDR?
	Hobs Direct Mail	✓	- Mail Marketing ✓ Mon	[redacted]
	Printonic Int		[- CCN - NOW	- SEMA
	Data Bus Up		- Kendall + Jefferson SUN	~~- CCN~~
	BDC Printing - Lennard.			~~Barclays Computer Mkty Mgr~~
	RX Reaction.			BARCLAYS COMPUTER OPERATIONS BCO
	MAA ~~14~~	[redacted] 6		KNUTSFORD BCO
				0565 ~~[redacted]~~ 614000

USERS

- Amex — Abby Natural 16 / Friends Provident
- Woolworths
- Abbey
- Watford Data
- Moy Rivers Cable
- Tropical Place
- Clear Manhatten (MR Micronite)
- L. B. Bromley
- Bro Norbury
- Northampton BC
- W. Wiltshire BC
- Empire Stores
- Barclaycard
- Lloyds
- Commercial Union
- Phillcard Credit — ✓ 5.00 Mon 29/8/94

MAUREEN BASCOCK 612887
DAVID MARTIN
BAT PLANET EDOTECH
IRA/BCO
GLOUCESTER 0452 617011

IFM [Int Fashion Mkty]
HEFAX

8.30 MON 22/8/94
~~9.00~~ Fri 19/8/94

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING Project Code/Catalog No. ☐☐|☐☐☐|☒☒☒☒

Type of Interview:

☑	Vendor	☐	Telephone	Interviewer Initials ☒☒☒
☐	User	☐	On-Site	Interview Date ☐☐|☐☐|☒☒
☐	Other	☐	Mail	QC Initials ☐☐☐
				QC Date ☐☐|☐☐|☐☐
				Data Entry Initials ☐☐☐
				Data Entry Date ☐☐|☐☐|☐☐

Company: COACHAT DIRECT Company Type: _____

Address: DUDBRIDGE Sales: _____

STROUD # Employees: _____

GLOUCESTERSHIRE

City/State/Zip GL5 3EA

Main Telephone: 0453 ~~764401~~ 764401 Fax: 0453 759851

Respondent(s):

Name	Title	Telephone/Extension
DAVID BLACKWELL	MANG...	0453 ~~764401~~ 764401

Referrals:

Industry (User Interviews only):

☐ Discrete Mfg.	☐ Wholesale	☐ Federal Government
☐ Process Mfg.	☐ Banking/Finance	☐ State & Local Government
☐ Transportation	☐ Insurance	☐ Consumer/Home
☐ Utilities	☐ Medical	☐ Other Industry specific
☐ Communications	☐ Services	
☐ Retail	☐ Education	☐ Cross Industry

Comments:

4.00 pm 22/11
2.00 Fri. 13/6/94
2.00 Tues 23/Feb/95

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐

Type of Interview:

☑	Vendor	☑	Telephone	
☐	User	☐	On-Site	
☐	Other	☐	Mail	

Interviewer Initials: SEH

Interview Date: 17/5/95

QC Initials: ☐☐☐

QC Date: ☐☐|☐☐|☐☐

Data Entry Initials: ☐☐☐

Data Entry Date: ☐☐|☐☐|☐☐

Company: ECN Marketing Company Type: _____

Address: Talbot House Sales: _____

Talbot Street # Employees: _____

Nottingham

City/State/Zip NG1 5HF

Main Telephone: 0602 863864 Fax: 0602 344303

Respondent(s):

Name	Title	Telephone/Extension
CHRIS SAUNDERS	Direct Mktg Exec.	863864 - lucky I got in Monday despite appt.
→ JIM HODGKINS	Assoc. Dir. Mktg	558247

Referrals:

_____

_____

Industry (User Interviews only):

☐ Discrete Mfg.	☐ Wholesale	☐ Federal Government
☐ Process Mfg.	☐ Banking/Finance	☐ State & Local Government
☐ Transportation	☐ Insurance	☐ Consumer/Home
☐ Utilities	☐ Medical	☐ Other Industry specific
☐ Communications	☐ Services	
☐ Retail	☐ Education	☑ Cross Industry

Comments:

_____

_____

Vendor Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on the area of print operation associated with large computer applications. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, user organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control. Does this situation present opportunities for vendors?

Q1. I would like to start off by asking you about the different types of printing services/equipment etc. that your organisation currently provides?

- ☐ Equipment
- ☐ Software products
- ☐ Services
  - ☐ Maintenance
  - ☐ Management (Professional)
  - ☐ Facilities Management
  - ☐ Other (please define)

a) Do you expect to be making any specific changes in these product/service areas in the immediate or medium term future?

b) Do you partner with any organisations in order to extend your range of capabilities?

c) Are there any synergies between your printing related products and services and other aspects of your business?

Q2. Who do you consider to be your main competitors in the areas that you have identified?

a) What do you consider to be your principal competitor's comparative strengths and weaknesses - can these be typified by vendor category e.g. services firm, equipment supplier, print, industry firm etc.

e.g., technology knowledge and experience, product delivery, maintenance, other services etc.

b) What in your opinion are the main criteria by which clients select vendors in this sector?

c) Are the competitors you have identified different from those in other parts of your business?

Q3. What, in your opinion, are the most important/critical applications and industry sectors for large scale printing requirements ?

- ☐ Secure printing (e.g. payroll)
- ☐ High quality external documents
- ☐ Internal documents
- ☐ Other (please define)

- ☐ Financial Services
- ☐ Insurance
- ☐ Utilities
- ☐ Local Government
- ☐ Central Government

a) What changes do you anticipate in these in the future?

b) In which areas will printing become more or less critical to the business?

Q4. How big do you consider the markets are (in the UK) for the printing services that you have identified?

How fast are they growing?

Q5. What are the main changes that you expect to occur in these markets over the next few years? (If not, please explain why you think there will be no change?)

a) Opportunities

b) Threats (e.g. electronic *paperless* forms, document image management)

For applications see Q3.

Q6. In which areas do you perceive that customers are facing the biggest problems/challenges?

e.g. quality,, deadlines for business critical documents, staffing, skills, technology, economising on capital etc.

a) Do you see any opportunity here for providing full outsourcing services for the print shop?

b) What do you think are potential drivers (client benefits) and inhibitors for or against outsourcing printing functions?

Q7. Which customer/client interfaces are most important to your business development?

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Q8. What are the most important skills/capabilities/facilities that you need in your organisation to meet future customer needs?

a) What are going to be the specific requirements for success in the future market?

Skills

Technology

Facilities

Q9. Are there any interesting client sites that you can give as examples of new directions in print services?

Q10. Are there any other aspects of the large scale printing business that we have not covered which you think are important?

Thank you

X 9.15. 18/8/94 THURS NO 5 day!
Now 22/5 p.m.??

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☑ Vendor ☐ Telephone
☐ User ☐ On-Site
☐ Other ☐ Mail

Interviewer Initials ☐☐☐
Interview Date ☐☐|☐☐|☐☐
QC Initials ☐☐☐
QC Date ☐☐|☐☐|☐☐
Data Entry Initials ☐☐☐
Data Entry Date ☐☐|☐☐|☐☐

Company: G.W.C (DAS) LTD Company Type: _____
Address: 1 BRAMBLE ROAD Sales: _____
TECHNO TRADING ESTATE # Employees: _____
SWINDON WILTS
City/State/Zip SN2 6QR
Main Telephone: 0793 / 542 692 Fax: ___/_____

Respondent(s):

Name	Title	Telephone/Extension
SWITCHBOARD		Tel 0793 616616
		Fax 0793 610101

Referrals:

GERALDINE DAVEY	MKTG MNGR	542692

Industry (User Interviews only):

☐ Discrete Mfg.
☐ Process Mfg.
☐ Transportation
☐ Utilities
☐ Communications
☐ Retail
☐ Wholesale
☐ Banking/Finance
☐ Insurance
☐ Medical
☐ Services
☐ Education
☐ Federal Government
☐ State & Local Government
☐ Consumer/Home
☐ Other Industry specific
☑ Cross Industry

Comments:

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on the area of print operation associated with large computer applications. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, user organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control. Does this situation present opportunities for vendors?

Q1. I would like to start off by asking you about the different types of printing services/equipment etc. that your organisation currently provides?

- ☐ Equipment
- ☐ Software products
- ☐ Services
  - ☐ Maintenance
  - ☐ Management (Professional)
  - ☐ Facilities Management
  - ☐ Other (please define)

a) Do you expect to be making any specific changes in these product/service areas in the immediate or medium term future?

b) Do you partner with any organisations in order to extend your range of capabilities?

c) Are there any synergies between your printing related products and services and other aspects of your business?

Q2. Who do you consider to be your main competitors in the areas that you have identified?

a) What do you consider to be your principal competitor's comparative strengths and weaknesses - can these be typified by vendor category e.g. services firm, equipment supplier, print, industry firm etc.

e.g., technology knowledge and experience, product delivery, maintenance, other services etc.

b) What in your opinion are the main criteria by which clients select vendors in this sector?

c) Are the competitors you have identified different from those in other parts of your business?

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- ☐ High quality external documents
- ☐ Internal documents
- ☐ Other (please define)

- ☐ Financial Services
- ☐ Insurance
- ☐ Utilities
- ☐ Local Government
- ☐ Central Government

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How fast are they growing?

Q5. What are the main changes that you expect to occur in these markets over the next few years? (If not, please explain why you think there will be no change?)

a) Opportunities

b) Threats (e.g. electronic *paperless* forms, document image management)

For applications see Q3.

Q6. In which areas do you perceive that customers are facing the biggest problems/challenges?

e.g. quality,, deadlines for business critical documents, staffing, skills, technology, economising on capital etc.

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a) Do you perceive any changes happening in this area in the foreseeable future?

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Skills

Technology

Facilities

Q9. Are there any interesting client sites that you can give as examples of new directions in print services?

Q10. Are there any other aspects of the large scale printing business that we have not covered which you think are important?

Thank you

ATTN AMANDA CARSON 021 627 5500 SEMA.
FROM STEPHEN HELMS (TEL 081 788 7458, FAX 081 788 6303)

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING Project Code/Catalog No. ☐☐|☐☐☐|Y|W|A|I

Type of Interview:

☑ Vendor ☐ Telephone
☐ User ☐ On-Site
☐ Other ☐ Mail

Interviewer Initials S|E|H
Interview Date ☐☐|☐☐|☐☐
QC Initials ☐☐☐
QC Date ☐☐|☐☐|☐☐
Data Entry Initials ☐☐☐
Data Entry Date ☐☐|☐☐|☐☐

Company: SEMA GROUP Company Type: _____

Address: _____ Sales: _____

_____ # Employees: _____

_____

City/State/Zip BIRMINGHAM

Main Telephone: 021/ 627 5500 Fax: 021/ 627 5513

Respondent(s):

Name	Title	Telephone/Extension

Referrals:

_____

_____

Industry (User Interviews only):

☐ Discrete Mfg.
☐ Process Mfg.
☐ Transportation
☐ Utilities
☐ Communications
☐ Retail
☐ Wholesale
☐ Banking/Finance
☐ Insurance
☐ Medical
☐ Services
☐ Education
☐ Federal Government
☐ State & Local Government
☐ Consumer/Home
☐ Other Industry specific
☐ Cross Industry

Comments:

_____

_____

FAXED SW. 10/05/94. Amanda will trace person Fri 12/8. to survey it.

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☑	Vendor	☐	Telephone	Interviewer Initials	☐☐☐
☐	User	☐	On-Site	Interview Date	☐☐|☐☐|☐☐
☐	Other	☐	Mail	QC Initials	☐☐☐
				QC Date	☐☐|☐☐|☐☐
				Data Entry Initials	☐☐☐
				Data Entry Date	☐☐|☐☐|☐☐

Company: _____ Company Type: _____

Address: _____ Sales: _____

_____ # Employees: _____

_____

City/State/Zip _____

Main Telephone: ___/_____ Fax: ___/_____

Respondent(s):

Name	Title	Telephone/Extension

Referrals:

_____

_____

Industry (User Interviews only):

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☐ Process Mfg.	☐ Banking/Finance	☐ State & Local Government
☐ Transportation	☐ Insurance	☐ Consumer/Home
☐ Utilities	☐ Medical	☐ Other Industry specific
☐ Communications	☐ Services	
☐ Retail	☐ Education	☐ Cross Industry

Comments:

_____

_____

Vendor Questionnaire (YNB1)

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- ☐ Equipment
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  - ☐ Maintenance
  - ☐ Management (Professional)
  - ☐ Facilities Management
  - ☐ Other (please define)

a) Do you expect to be making any specific changes in these product/service areas in the immediate or medium term future?

b) Do you partner with any organisations in order to extend your range of capabilities?

c) Are there any synergies between your printing related products and services and other aspects of your business?

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a) What do you consider to be your principal competitor's comparative strengths and weaknesses - can these be typified by vendor category e.g. services firm, equipment supplier, print, industry firm etc.

e.g., technology knowledge and experience, product delivery, maintenance, other services etc.

b) What in your opinion are the main criteria by which clients select vendors in this sector?

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- ☐ Other (please define)

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- ☐ Insurance
- ☐ Utilities
- ☐ Local Government
- ☐ Central Government

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b) Threats (e.g. electronic *paperless* forms, document image management)

For applications see Q3.

Q6. In which areas do you perceive that customers are facing the biggest problems/challenges?

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Thank you

CONFIDENTIAL
INPUT QUESTIONNAIRE

4.00 Fri. 12/8/94
No reply. 7/8 called x2

Study Title: PRINT OUTSOURCING

Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐

Type of Interview:

☑ Vendor ☐ Telephone

☐ User ☐ On-Site

☐ Other ☐ Mail

Interviewer Initials ☐☐☐

Interview Date ☐☐|☐☐|☐☐

QC Initials ☐☐☐

QC Date ☐☐|☐☐|☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐|☐☐|☐☐

Company: CFM GROUP LTD

Company Type: FM.

Address: PO BOX 313

DAWSON HOUSE
LIVERPOOL ROAD
GREAT SUTTON
WARRINGTON

Sales: _____

Employees: _____

City/State/Zip WA5 3LY

Main Telephone: 0925 236 600

Fax: ___/_____

Respondent(s):

Name	Title	Telephone/Extension
SARAH MIDDLETON	MKTG MNGR	0628 488888

Referrals:

MALCOLM MILLER SITE MNGR. 0925 236600 5-6 calls.

NEVER AVAILABLE / NEVER CALLED BACK / NO DELEGATION

EARLY DEC - PRINT MANAGER - WRITE FOR APPOINTMENT TO SPEAK TO HIM.
IMPOSSIBLE TO DEAL WITH Co.

Industry (User Interviews only):

- ☐ Discrete Mfg.
- ☐ Process Mfg.
- ☐ Transportation
- ☐ Utilities
- ☐ Communications
- ☐ Retail
- ☐ Wholesale
- ☐ Banking/Finance
- ☐ Insurance
- ☐ Medical
- ☐ Services
- ☐ Education
- ☐ Federal Government
- ☐ State & Local Government
- ☐ Consumer/Home
- ☐ Other Industry specific
- ☑ Cross Industry

Comments:

emailed by ICL

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  - ☐ Other (please define)

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☐ Internal documents
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☐ Insurance
☐ Utilities
☐ Local Government
☐ Central Government

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b) Threats (e.g. electronic *paperless* forms, document image management)

For applications see Q3.

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e.g. quality,, deadlines for business critical documents, staffing, skills, technology, economising on capital etc.

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Skills

Technology

Facilities

Q9. Are there any interesting client sites that you can give as examples of new directions in print services?

Q10. Are there any other aspects of the large scale printing business that we have not covered which you think are important?

Thank you

#1

INPUT: PRINT OUTSOURCING VENDOR REPORT

Company:	**Axis Resources Ltd**		Turnover:	**£13 Million**		
Address:	Joseph Rank House Haydens Road Harlow, Essex CM20 1LX		Employees:	**200**		
Contact:	1. John Hazledon	Tel:	0279 822027	Fax:	0279	635314
	2.	Tel:		Fax:		

Company organisation

There are three main businesses: Interface - for consulting and FM (e.g. British Library for 25 years), Paylink for payroll services and Insight the laser print bureau. The company has a wide range of hardware from a large IBM 3090/400J, AS400s, Unix boxes and PCs and sees its access to a mainframe as a unique selling point (USP) compared to its competitors. It claims to offer an end-to-end service with complete document management to a wide range of clients across many industries.

Services

Q1. The company does not provide hardware to its clients and only provides bespoke/customised software and printing as an integrated part of other services. It does provide Facilities Management services and also a business form design service - NB this is not a graphics design service but purely business forms such as payslips and invoices, purchase orders and so on. This latter is also seen as a USP.

Q1a. Great opportunities are perceived for increasing the level of business of the next 3-5 years: the imminent arrival of the digital colour printer from such vendors as INDIGO (St Albans) and Xeikon Pershka Price (Reigate) will have a major impact - these machines are effectively off-set A4 sheet fed lasers in which the paper rotates four times per side for the electrostatic CMYK colours to be deposited. This will enable short print runs of 3000 - 10,000 to be done relatively economically. The push for increased quality and colour appears to be coming from marketing managers having the concept of 'the market of one' - referring to ever increasing sophistication of direct mail targeting - where the received mail item is unique and tailored to the recipient. Axis has no formal partnerships with external bodies but there are certainly economies of scale and the use of common resources across the companies three main divisions as well as the cross-pollination of clients from one business area to another.

Q1b 1c

Competition

2 The main competitors identified were MicroGen, MicroWrite and FCS (Birmingham), PaperFlow and Rank Xerox. However, the biggest competitor was seen as the in-house resource/print shop.

2a. In-house opposition is often bolstered by the incumbents defending their 'empire' and their jobs whilst using the argument of the immediacy of their response to user demands. Against this, some clients demonstrated a strong wish to divest themselves of the 'print problem' and to 'focus on their core business'.

Concerning other external competitors the cost and volume issues dictate results - those competitors offering essentially a simpler service for higher volume can provide it at lower cost, but Axis provides a highly tailored and specific solution with added quality and service with minimum disruption. Another

major factor in impressing their city clients is the prestigious offices of Axis, to which clients relate better than factory-style premises on industrial estates. Axis sees the usual pay-off between cost and quality as their main sales argument together with the relative ease of convincing the client of its reliability. Competition in this area is definitely different to the competition in other parts of the business, similar to Centre-file in this respect.

Applications

The most important/critical applications for large scale printing requirements are:

Secure printing	Financial Services
High quality external documents	Insurance
Utilities	Local Government
Direct Mail	General mailing/billing

Airlines e.g. BA Executive Club & Air Miles are both outsourced

No great changes in applications are expected in the future but expects pre and post sales and cross selling activities to be greater through the use of sophisticated selective printing.

Marketing

Q4 The markets are taken as vast with literally billions of printed sheets being created. It was suggested that Input visit Malcolm Wells of Rank Xerox Marketing for best industry statistics (Tel: 0895 25113). John Hazledon sees the market for outsourcing growing especially with respect to finishing systems and considers exponential growth possible.

5a → The major opportunity for growth is seen in the digital colour laser printers and in newer ever more
b. → sophisticated mainframe-based document composition software systems - some of which cost between £100-200,000.

6 Customers are facing the problem of always trying to increase the efficient use of their resources and justify the use of outsourcers through their perceived value for money of the services provided. Axis perceives ← 6a) an opportunity here for full outsourcing, is providing it for some clients and will build further upon it. The main benefits of Axis Insight to a client are:

6b →

- the access to skilled resources
- the business orientation of Axis staff
- the cost/benefit payoff for the customer

Against this are fears for the internal empire, dependency on a supplier, lack of control and the concern over meeting deadlines, for example, meeting the legally required dates for council tax demands.

Sales & Skill Requirements

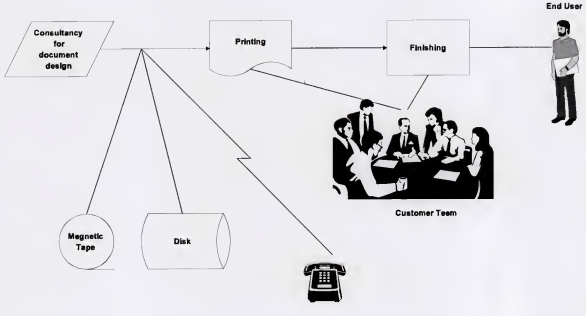
Q7 Axis uses a sales team and its directors to sell direct to the marketing and sales directors, finance directors and sometimes to IT managers in medium sized companies. An account strategy is defined and resources allocated accordingly. This is seen to be increasingly important where more mission critical documents are being sent: hence there is a serious need to really understand the client's business and requirements thoroughly.

Specific requirements for success in the future will depend on the following:

Skills	Business Analysis, Document understanding (the psychology of linguistics)
Technology	Colour digital printers, automated mailing, bar coding
Facilities	Premises, production line and workflow

Axis ~~sighted~~ cited organisations like Save & Prosper with some of their innovative approaches to providing PEP information to its investors as a possible new direction in printing.

The business can be summarised in a diagram below:



Thus the overall process is important and the vendor must ensure that he really understands the customer's business.

#2

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company: BDC Printing LaserMail
Address: Stock Lane
Derby
DE22 3FL

Turnover: £10-15M
Employees: 250+

Contact: 1. Seline Dolan Mktg Exec
Tel: 0332 347123
Fax: 0332 298012

2. Tel: Fax:

Company organisation

Describing itself as a printing and technical services company, it is organised into four main areas: InfoVision specialising in data management on CD ROM; Technical Publications - for printing thereof; PTSI for writing technical publications; Commercial -four colour printing with wet ink Heidleberg printers and finally the LaserMail direct mailing business.

Services

Q1. The company does provide some equipment and software for data management from InfoVision but otherwise concentrates on services. With respect to LaserMail the services cover everything from setup, data capture, deduplication, data processing, laser print personalisation, folding, enclosing and mailing: they can also provide the envelopes. Stationery pre-print is done in the Commercial Division.

Q1a The main recent change is in the introduction of the Rank Xerox A3 Manhattan 4135 printer allowing laser personalisation and further growth of the business.

Q1b. No formal partnerships exist but sub-contracting does occur for overflow work, the laser printing of envelopes and specialist activities such as producing bar codes, library cards and lamination work.

Q1c. There are often synergies between parts of the business, for example, direct marketing work will often lead to stationery pre-print work in four colour on the Heidlebergs or on the Docutech system for black and white.

Competition

The main competitors are Waterlow Petty's in Nottingham and Bemrose Printing locally in Derby. Competition is strong on price and particularly where the size of the company is seen as important or where volume dictates that the vendor needs to have more machines to complete the work on time. LaserMail is seen as stronger where more skills are dedicated to the client requirements and more tailoring/personalisation is required by the nature of the mailing.

For the most part, clients are selecting vendors on quality, price, after service care and turnround times. Typically the same competitors affect BDC Lasermail across the board but there are other competitors in the continuous print business and in the production of personalised cheque books for banks and building societies.

Applications

LaserMail specialises in high quality direct mail documents for all categories of industry sector: they continue to work for banks and building societies, insurance companies, gas electricity and water utilities, charities and to a smaller extent local councils and central government. In the future it is expected that there will be a change in work pattern for both local councils and the gas industry which is about to undergo further re-structuring. Further, it may well be that with the increasing momentum of direct debit as the preferred payment method, there will be less production of payment books produced.

Markets

The market is certainly many hundreds of millions of pounds and may be over £1Bn. Growth appears to be steady at about 20% per annum.

5a. Opportunities are being created all the time within the BDC company for LaserMail through its continued investment and diversification. Competition from outside however, together with major internal changes within clients may cause more work to be completed on an in-house basis.

6 Clients are beginning to show more interest in a complete facilities management service and LaserMail do provide this service in a small way at the moment. They also provide a 'to go' service which is a way of speeding up the basic services regular clients. The main reasons for outsourcing is in cost savings against capital expenditure, staff, technology and training but there is always a set of resistances to this path: security and control being the most important and normal competition or in-house facilities following closely.

Sales & Skill Requirements

The main contacts between LaserMail and the client organisations are through Seline Dolan herself and the sales executives. Typically they are dealing with anyone from the managing director of the client downwards depending on who has been given the responsibility for the print buying. Clearly marketing people are frequent contacts. No changes in this pattern are expected but sales executives will become more self sufficient with more experience and need less of the support from Marketing Services.

Keeping up with the skills required to run new technology will always be a challenge - they have just passed through a phase like this with the introduction of the RX 4135 Manhattans but there will doubtless be similar repeats in the future. Also with the current and expected growth there will be pressure on space both at shop floor and office levels.

The most interesting application sighted was using the new printers for A3 duplex printing with personalised information on both sides and using the highlight colour facility, but this is no longer unique or innovative in a fast moving competitive, industry where many old and new outsource service providers are providing the same service from the same machines.

INPUT: PRINT OUTSOURCING
VENDOR REPORT

#3

Company: **Centre-file Limited** Turnover: **£90 Million**
Address: Employees: **1500**

Contacts:

1. David Worsfold, Planning & Mktg Mngr Tel: 071 410 3422 Fax: 071 410 3425
2. Geoff Downer, Direct Marketing Tel: 071 410 3135 Fax: 071 410 ????

Company organisation

The company is organised into five main divisions - Marketing, Human Resources, Finance, Computer Services (including desktop, FM on DEC hardware, Technical Support, mainframe and IT consultancy) and Operations (Software Development, bureau, payroll and Direct Marketing).

The company is active in a range of industries including communications, retail, financial services and education.

Services

Q1. The company does not provide hardware or software products to its clients and only provides its printing services as a totally integrated part of one of its other services, for example, CentrePay payroll or direct marketing materials from managing a client's database.

Q1a Concerning printing the main requirement appears to be for higher quality expectation, using the change from impact printing to laser printing: this is now possible even for the secure printing required for payroll printing (possibly some kind of special laser in which payslips are printed and packaged before becoming visible and being ejected from the printer). There is a move to colour printing in volume for clients such as Building Societies and BAA.

Q1b They have no formal partnerships but have a number of informal relationships with print suppliers and mailing houses for final print and finishing, where short term demands by clients with managed databases request complete mailing service.

Q1c With the exception of network and LAN management, Centre-file's services cannot divorce printing from the remainder of the service, in other words printing is an integral part of the company's mainstream operating services.

Competition

This depends very much on the business area: for example, CentrePay is in competition with CMG and Peterborough Software's UniPay and others ; whereas with DeskTop and Networks, Hoskyns and IT Net; for Systems Development, Logica and FI Group; for Direct Marketing (DM) AXIOM (a London office of a US owned service company like Centre-file which has just acquired a mailing house) and Printronic (Wimbledon-based, high volume printing and mail list processing).

With respect to DM the competition can often be stronger in print capability and fulfilment but weaker with respect to expertise in the planning and strategic business use of a database. Clients of DM select vendors based on price and facilities (and in that order) and the suppliers are typically different to those in other areas of the business.

Applications

The most important/critical applications for large scale printing requirements are:

Secure printing Financial Services

High quality external documents	Insurance
Utilities	Local Government

Centre-file expects retail & leisure industries to play a greater part in the future, for example, Homebase, Wickes, with a greater degree of personalisation being used. It also expects MIS reporting to be less critical with shorter reports being sent by telephone line for local printing at the customer site.

Marketing

Q4.

There are no firm statistics about market size as far as the whole of Centre-file business is concerned, although it considered very large and with steady growth. With DM it is estimated that the business is worth £800 million/year with a very rough estimate of 15-20% of this being print cost.

The reduced blanket/'carpet bombing' mailings but increased 'micro-targeting' or personalised mailings should cause the steady growth. Many more players will be entering the market, including existing wet ink off-set print houses - if they can already master the complexities of colour matching and register of wet-ink machinery, the modern lasers are likely to be a relatively easy addition to their range of print services. This, together with their finishing capabilities, for example, stitching and envelope stuffing, will enable them to be very competitive. However, for print runs of 200-5000 single sided A4 colour communications, in-house facilities will continue to be used. For interest, Centre-file already outsources most of the finishing work.

5/6

The major opportunities for printing outsourcing are seen to be enabling organisations to 'focus on their core business'; the threat however, is seen as the reducing cost of high quality print. In time, perhaps in the next century, people will have the confidence to commit major communications to electronic means - the information super highways - but there is no immediate sign of this at the moment. When this happens, there will be a reduction in the relatively high volume of low quality staff who are currently simply 'machine-minders'.

Customers are currently challenged by the need for ever faster reactions to their markets and the relative paucity of high quality, experienced staff. However, full outsourcing is seen as unlikely since all services simply integrate printing as part of a service. If the client performs an activity internally, the likelihood is that the printing will also be done internally. The main drive for any such outsourcing is that the large capital expenditure of a service company can be shared across a number of customers with consequent economies for an individual customer. Additionally, the sheer amount of work involved, the time taken and the distraction to staff may also persuade customers of the value. A major inhibitor to total outsourcing may be the fact that organisations like Centre-file integrate the printing with a specific service, leaving the client to manage and print other things in-house. Also, some in-house printing will be less expensive where high cost services are not essential or where the volume small franchise suppliers (KallKwik, ProntaPrint) may be used - these of course are not appropriate for the very high quality end of the market.

Sales & Skill Requirements

Centre-file uses a team of new business salesman to sell to the Board level of the operating company. Once the business is won, Account Managers deal with the day to day work and escalate issues to more senior Centre-file staff depending on their value and importance. With respect to DM, the sales team typically sell to the Marketing Director/Manager and day to day work continues with the juniors in the same departments. The key requirements for success are in a combination of business and people skills, the use of IT and its application directly related to the customer's business - basically keeping up-to-date with both the technological opportunities and the customer's current requirements. Centre-file could/would not provide any examples of clients showing new directions in print services.

#4

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Computer Posting Group	Turnover:	£2M
Address:	120-126 Lavender Avenue Mitcham Surrey CR4 3HP	Employees:	68
Contact:	1. Graham Sandford Mktg Mngr	Tel:	081 646 1031
		Fax:	081 648 4873
	2. Tel:		Fax:

Company organisation

This is a marketing services company describing itself as 'near the top of Division 1 of the data capture, data handling and laser printer business for direct mail companies across all types of industry.

Services

Q1 The company does not provide equipment or software but concentrates on the services of data base management, design and mailing of direct mail materials. It provides these services based on a dual mainframe using assembler programming and a PC network using all current types of PC database including Access, Paradox, dBase and Data Ease. No significant changes are expected in the immediate Q1b or medium term future and partnering is limited to ad hoc arrangements with print finishers and other laser Q1b print shops for overflow, envelope and materials supplies and enclosing.

Q1c The services are so integrated that inevitably if a client is enquiring about using part of their service, he will learn about and have presented the surrounding services of the Computer Posting Group.

Competition

Competition falls into two camps for the group: firstly, the marketing services group including Microrite, Printronic, GWC (Great Western) and FCS; secondly, in the publishing area, a host of small local competitors and approximately twenty nationally known names, mostly included in this survey. The reasons for their own success is now their 22 year track record with good people and being able to offer both mainframe and PC solutions. The fact that they hold 1200 client databases is seen as a good sales point against smaller competitors.

Clients are nearly always considering the choice between vendors based on price but second and very important is 'the comfort zone' of value for money/capable/reliable.

Applications

The most important application for the group is clearly in high quality, direct mail, external communications from client direct to his customer. Largely these clients are in the financial services and insurance businesses but with an increasing proportion of FMCG and other commercial and industrial companies. Since they do not offer a continuous print service some of the larger billing, local government work is not undertaken and no significant changes in their client base is anticipated. They do however, expect a eduction in some of the response handling work - such as reader enquiry cards and the like - as

more clients adopt the 'fax on demand' service when they require additional information.

Markets

No estimate seemed to be possible about the huge size of the market but the current best estimate for its growth is that it is still growing but at somewhat less than 10% per annum. The main opportunities in the market is represented by the technical advances now available such as highlight colour from the high end lasers of Rank Xerox. They also see further opportunity in the expected decrease in price of the technology, opening up the possibility of being able to provide and even more competitive service to companies who heretofore have not been able to afford their kind of service.

5a

The main threat is also in the form of technology - Mr Sandford sighting the improvements in Ink Jet Technology enabling personalisation even on wet ink systems.

Customers are certainly suffering from a skills shortage in the marketing departments as a result of the recession and consequent loss of staff. Also, because of the commoditisation of the print business, less money is being spent overall and therefore there is less funding for in-house training.

6a.

There is an opportunity for full outsourcing of the print shop activity and the Computer Posting Group are already doing this in a small way. However, the industry like many others is cyclic and the market may turn full circle with an increase in-house activity and away from FM. The main client benefits driving outsourcing is a mixture of the pure functionality of the outsourcer in terms of being able to produce the clients' core business forms and having the resident skills to meet their needs - this is especially true with respect to data handling - and the cost effectiveness of avoiding the large capital expenditure associated with print and paper handling machinery. The negative side from the clients' perspective is the apparent loss of control and consequent dependency together with the perception that it might well be less expensive if done in-house - this is usually due to the client ignoring internal overheads which he may have anyway but the outsourcer has to fund when given business.

Sales & Skill Requirements

The company operates a multi-layered account management system: the first level is a team of reactive account managers who deal with the day to day requirements of the client and requested extra service; the second level is the proactive account managers who have regular sales and progress meeting and are actively seeking new work with the existing clients; finally there is the team of new business account managers who, as their name suggests is primarily seeking and gaining business from completely new clients and typically sell to directors or financial staff in the client organisations. This system appears to work well and there are no expected changes in the foreseeable future.

In terms of skill requirements, one of the most important aspects is to ensure that all staff gain real commercial acumen to enable the company to provide a consistent business-like image with the ability to appreciate the commercial implications for the Group. Amongst the new technology envisaged is the use of mobile presentation facilities on personal computers and the enhancement of reports to clients perhaps including graphics, but colour is certainly still too expensive. Currently the business is spread across three site with one lease on 20,000 sq ft outstanding for the next 2.5 years but in time rationalisation will occur.

Mr Sandford highlighted the fact that they were primarily in the A3/A4 cut sheet market and therefore somewhat limited in their range of services. However, one of the more interesting applications is a worldwide customer loyalty program where personalised laser printing is being completed in many languages with despatch being about 500/country/month. He sees this an indication of the possibilities of global communications and distribution.

#5

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:		Crawfords Computing		Turnover:	£2M	
Address:		Crawford Way		Employees:	35	
		Liverpool				
		L7 9NG				
Contact:	1.	Brian Gormley MD	Tel:	051 228 8003	Fax:	051 259 6129
	2.		Tel:		Fax:	

Company organisation

A laser printing and impact printing bureau with a range of complimentary services. IBM mainframes and Siemens continuous feed printers with Rank Xerox sheet fed lasers. Company built up over last 17 years and were one of the first specialists in the laser print about 5-6 years ago but now surrounded by many small competitive companies.

Services

Q1. Having a mainframe background, the company is well placed to provide a database design and management service, together with printing and mailing services. Consequently the company also provides its software to clients to enable them to accomplish for example, pre-selection. Direct marketing services and printing for both direct clients or agencies is the prime focus of the business.

Q1b. Prices have dropped in the market by about one third and consequently there must be a change to the ancillary services, particularly increasing database management, enclosing, pre-print of stationery. Mr Gormley feels there is an over capacity in the industry and therefore changes must ensue. Q1c. Crawfords partners with some other organisations for finishing (such as hole punching, lamination, binding) and despatch. There is a very strong synergy between the data handling/database management service and the Q1d. subsequent printing - a benefit to the company to show and provide an integrated service.

Competition

Printronic International, Mail Marketing, Great Western (GWC), the Computing Group and Axciom were seen as the main competition. A major deciding point appears to be based on the high reputation and referrals from existing or previous customers. This together with the perceived added value of the technical support and service were the major reasons for Crawfords success. However, since price appears to be the main criterion by which clients were selecting vendors, the competition from the high volume printers, such as Printronic is serious. Quality of service and location are also important factors since clients do not appear to want to spend on carriage costs for documents. The same range of competition affects Crawfords across the whole of its service offering. The newer smaller competitors with PC systems were also taking away noticeable amounts of business at the small end of the business.

Applications

The most important/critical applications for large scale printing requirements are:

Secure printing	Financial Services
High quality external documents	Insurance

Utilities Local Government

Secure printing can now include a One Piece Mailer (laser print and wrap of payroll), Invoices, bank and interest statements. Direct marketing is already major and is set to grow further: however it appears that more work, perhaps in selection/targeting, will be required for less revenue in an increasingly competitive market place. Local and even Central Government work will feature less unless added value can be provided - otherwise it is simply a capacity filler on the machines. When the application is complex, in about 10-15% of cases, printing will become more critical to the customers' businesses.

Markets

Mr Gormley estimates the market to be worth £30-40Million per year and growing at 10+% per year.

Q5
16.

The markets are not expected to change radically but there are opportunities in the provision of added value services for the new users who are relatively naïve in the sophistication possible with modern technology: thus database design and data management, selection and quality targeted mailings will become ever more important for organisations, particularly given the attitude towards 'freedom of information' and ensuring end clients are kept informed - this has already been witnessed with the changes to BT billing, bank statements and investment statements.

The biggest threat to the business is in the low cost print shops, possibly Rank Xerox itself if it chooses to get into the service provision market (RX have told Input that it has no such intent) and the FM suppliers.

Crawfords clients have expressed their concern in the past that they might be 'ripped off' by the low quality expertise of the cheaper print shops. They do see an opportunity for the fully outsourced print shop but only where it is part of the solution where data processing expertise is required - otherwise it is just not worth doing. Customers are moved towards outsourcing by the attraction of being able to concentrate on their businesses and to use facilities or capacity that is only required on relatively rare specific occasions, for example, council tax bills, poll registration cards. On the negative side there are the concerns about ensuring that the data is kept confidential (both from a Data Protection legislation point of view and that of commercial confidentiality). With respect to Direct Marketing activity, there is a dilemma between the need for both good systems and good people skills being required to translate the user requirements into a valued and meaningful usage for a particular section of end-clients.

Sales & Skill Requirements

Crawfords concentrates on developing its business through existing clients: account executives are primarily those concerned with ensuring that a client receives the services he has ordered but at the same time identifying new opportunities for an extension to the service. This coupled with long association with the senior executives of the company (the MD and the company secretary particularly with respect to the food and leisure industry) has led to a steady growth in business over the last 17 years. Surprisingly, the MD does not like direct sales activity personally and does not plan to have a direct sales force or make any other major changes.

Skill requirements within Crawfords will continue to mean having the right people with the right technical, communication and organisational skills, adhering to the TQM and BS5750 standards for which they are currently striving. The company must also continue to invest in new technology once proven and required by the demanding marketplace.

Mr Gormley felt it was worth distinguishing between the continuous and the sheet fed sides of the print industry, since they dictated applications: continuous typically being used for invoices/billing and cut sheet being driven by office automation applications.

#6

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	The Database Group	Turnover:	£3M
Address:	Colston Centre Colston Avenue Bristol BS1 4UH	Employees:	45

Contact:	1.	Mike Wass	Tel:	0272 291471	Fax:
	2.	Shane Baylis	Tel:	0272 291471	Fax:

Company organisation

This is a computer bureau with offices in Liverpool, London and HQ in Bristol and is primarily concerned with the development of databases for clients for use in direct mail. It does have a printing facility including an HDS 6890 continuous and a Rank Xerox sheet fed printer. When capacity is sold they outsource to Mail Marketing and Roetarn.

Services

Q1

Database marketing consultancy and systems development together with the standard services of postal rebate, post coding, selection and personalisation form the bulk of their work. Maintenance of clients' databases is also provided but FM is currently not undertaken due to limits on capacity. No specific changes are envisaged to the services in the foreseeable future and the current approach of outsourcing themselves appears to work well and meet their clients' requirements without them being too aware of the way the perceived 'one-stop shop actually works. There is, not surprisingly a direct relationship between their database work and the subsequent printing requirements to be fulfilled.

Q1a

1b no 9a

Q1c

Competition

Printronic International and Axciom of Sunderland appear to be the key competitors of the Database Group and pervade all quotations and business. There do not in Mr Wass's view, seem to be any great differences between the three companies so the main reasons for choosing any one of them is mostly based on being known by or through referrals from existing happy clients. After that, quality of service and thoroughness are the things which tilt the balance.

Applications

High quality direct mail documents, especially for direct mail form the bulk of the requirements of their client base with a fair proportion now of internal documents being produced. Financial and insurance users such as Sun Life, Cornhill Insurance and CGA Deacon form the bulk of their customer base with Wales Gas being the main utility; Bristol, Newport south, Somerset, Kingswood and Northampton are the local government bodies using them for Community Charge/Council Tax collection. Again, no changes are expected in the immediate future. In common with a number of vendors, Mr Wass expects less junk mail but more targeted mailings to occur with increased sophistication such as duplex printing with personalised highlights in colour.

Markets

The market is vast and measured in millions of pounds and he quoted Littlewoods as one of the major solo direct mailers - even though not a client of the Database Group. He expects that the direct mail market will grow at about 15% per year for the next five years with about 15-20% of the spend being on print alone. The biggest opportunity is seen as the sophisticated duplex printing with personalised information on both sides with highlight colour. No really serious threats are present currently - although the information super highway technology may affect the market after 2000AD, until then increases seem inevitable.

The main reasons for customers seeking external solutions are to meet ever tighter deadlines and to reduce costs - particularly the capital costs of the expensive equipment required to provide the levels of sophistication to compete; loss of a skills base in the clients because of downsizing/delayering in the recession is another main reason. However, as always, the main inhibitors appear to be the worry of confidentiality and security - especially in the financial industry.

The Database Group has a sales force based in the London office and they may generate new business or gain leads from existing clients which they then refer back either to Mr Wass or to the Account Managers in Bristol. This seems to be a very productive approach and no significant changes are envisaged in the foreseeable future.

Sales & Skill Requirements

Given the growth in the smaller competitors with PC systems, there will be a definite requirement to keep up to date with this technology, the software and programming skills required. They are not panning major investments in equipment but further investment will definitely be required in software and in developing their own software, mailing systems and new versions of SelCopy, Word etc. Having three sites already, no further facilities or office space are likely to be required in the short term.

In terms of interesting approaches to the print business, the Database Group is the only one interviewed so far that is specialising in the database consultancy side of the activity and being willing to leave their print capability static, outsourcing the excess remainder.

#7

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	EdoTech	Turnover:	£30M
Address:	Gloucester Computer Centre Barnett Way Barnwood Gloucester GL4 7RU	Employees:	200

Contact:	1.	Sam (CJ) Ferguson	Tel:	0452 619104	(direct) 0452 617011 (switch)
			Fax:	0452 372634	
	2.	Ross Clarkson	Tel:	071 623 3001	Fax:

Introduction

This was no ordinary Vendor interview - it is also the sponsoring body for the market research. It began with meeting Ross Clarkson at reception who had assumed Peter Lines would be present and it would be possible to complete a project review with the ultimate sponsor of the research, Sam Ferguson the Managing Director of EdoTech. The meeting continued and covered in order the following:

- a brief introduction to EdoTech
- a review by SEH of the vendor research completed to date with company names and currently perceived attitudes and trends in the vendor market place
- a review of version 2 of the user questionnaire which had been created based on the first trial usage at Philbeach Events Ltd, part of the Earls Court & Olympia Group (owned by P & O). Further feedback requires additional changes to the questionnaire.
- a brief run through of the vendor questionnaire with EdoTech as a vendor interviewee

The total meeting time was three hours with approximately five hours travel time. It was not possible to combine the trip to visit other vendors owing to the very short lead time before the visit. Ross was clearly nervous throughout the first 40 minutes since he was concerned that his superior may gain a poor impression of the project management of the project. However, aided by the detailed information provided and the bluff, straightforward approach of Sam Ferguson, it appeared that the meeting was a success and, whilst there is clearly time pressure to continue the project with all speed, the following points were agreed:

- The views expressed by Input conform well to Sam Ferguson's views and provides him not only with a personal 'comfort factor' but also, assuming that the final Input report makes the same points, will be very useful in convincing his senior managing board that his proposals are sound and deserve appropriate funding.
- There is little need therefore to continue much further detailed work on the vendor front, especially since many of those in the market are primarily concerned with direct marketing.
- The user questionnaire must be refined to commence with a filter to ensure Input is talking to the most appropriate staff and then continue with a stronger emphasis on the FM or complete outsourcing service provision.
- Reading between the lines, it was perceivable that Sam was content with the work completed and may well be open to further support in the marketing and possibly sales areas following completion of the user questionnaires.
- Some detailed information based on user research would be required for a meeting

scheduled for the 20th September between EdoTech and either Acxiom and IBM or the Barclays Board (unsure here).

This information was passed verbally to Peter Lines of Input verbally by telephone on the 23/8/94 and in a meeting at 5.15 p.m. at Input's offices in Hill Street the following day. Suitably prepared, it is understood that the actual review meeting between Ross and Peter on 25/8/94 went according to plan and to the client's satisfaction.

Company organisation

EdoTech describes itself as a leading edge, high technology laser printing company backed by IBM and Barclays Computer Operations (BCO), which is a trading division of Barclays Bank PLC. It claims to combine the expertise of running a set of secure data centres and IT Facilities Management services with IBM's skills of data management, storage, manipulation and high speed laser printing.

Services

Q1. EdoTech provides a one-stop shop approach for clients who wish to select and manipulate critical data, laser print it quickly and despatch it to the end user. With its partners Axciom and IBM it cannot only print but provide full design and technical consultancy, automated mail insertion and a full range of post processing (finishing) services.

Q1a There will doubtless be changes to the service offering to some extent based on the market research being here completed. Clearly there are synergies within the companies/partners of EdoTech - otherwise it is unlikely they would have established the company in the first place.

Q1c.

In very crude terms however, EdoTech has a huge amount of hardware and software, together with some expensively acquired people and skills which are currently only being used to anything like capacity for short overnight periods, owing to the way the banking systems work in the UK. Consequently, they have a huge print capacity which could be sold at a low margin and as an attraction to new clients for the other more important value-added services.

Competition

The main competitors are recognised as Microgen (which Sam Ferguson appears to know well and may have worked for), Kenrick & Jefferson, MR Microrite and a large number of significant in-house print shops. The principal strengths of the competition, particularly Kenrick & Jefferson, is their responsiveness to client needs and the length of time they have been in the industry.

The main reason Dun & Bradstreet decided to proceed with EdoTech was the Advanced Function Presentation (AFP) programming skills that they were able to offer. Size was next most important and price the third most important issue.

Applications

In EdoTech's view, the most important applications for the industry were secure printing and high quality direct mail. In terms of industry clearly financial services and insurance were major, closely followed by the utilities. Given their newness to the industry - they have only been in existence about eight months, they are not in a position to anticipate changes yet and will be relying on this market research work to assist them.

Markets

Sam Ferguson quoted figures by another Market Researcher, Ken Jamieson: 700 million pages being produced was equivalent to approximately £70M market. Since finishing costs about a further third, the total market is estimated at £100M. Growth is estimated at about 5% per annum.

95/6

The principal opportunity is seen as full FM and related value added services as in the case of Dun & Bradstreet, whereas the main threat is in being limited in the services range EdoTech can currently offer and in being inflexible in its dealings with clients.

The main drivers for clients to outsource are the classical ones for outsourcing any activity - reduction of capital expenditure and not having to maintain the expensive skills and staff internally. Opposing it as ever, are the empire-building and job preservation merchants of the typical in-house print shop.

Sales & Skill Requirements

Currently IBM has been providing leads to EdoTech and these have been followed up by existing production staff. It appears evident that they wish and need a 'client-facing' account management team to ensure that the services that are available are translated to best effect for their prospects and turned into more attractive business propositions. Reading between the lines again, it appears that either the leads were not that good or they were followed up by 'techies' who were not convincing in a business sense to the prospective clients.

AFP, forms design, composed text/documents with automated operation together with a re-engineering of the business will be essential for survival of the skills battle in the future. BS5750 will help and is in place. Spot or highlight colour is definitely the way the market is moving and this, together with versatile, flexible production with enclosing facilities will be essential for meeting client demands.

Apart from Dun & Bradstreet, EdoTech have another client - Heinemann part of Reed Books is interesting since they had downsized to AS400 in terms of processing power but have chosen to outsource the bulk of their printing requirements.

Their belief is that with network costs reducing some applications are being removed from the agenda of printing (for example, supermarket price books) and Customer Loyalty Programs (such as Air Miles) are on the increase.

#8

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	FCS Birmingham	Turnover:	£3M
Address:	FCS Lasermail	Employees:	47
	300 Bromford Lane		
	Washwood Heath		
	Birmingham		
	B8 2SB		

Contact:	1.	James Kirby Business Devel Mngr	Tel:	021 326 6742 x 3503
			Fax:	021 328 3858
	2.	Tel:		Fax:

Company organisation

Describing itself as a service orientated telecoms and laser printing company, FCS provides services only, with the client sometimes providing the hardware and even the staff in an FM contract.

Q1.

Services

Otherwise FCS provides professional management and partial management where this is for invoices, statements and so on. The changes planned include additional laser printing facility in the form of an RX4135 (Manhattan) which will enable A3 printing in October 1994. They have an association with a wet-ink printer where Litho 4 colour work is required and with local finishers where hole punching, binding etc are required. However, they have their own Philipsberger inserters in-house so do not need partners for this.

Q1a
Q1b

Q1c. There are rarely any leads or synergies between FCS and its sister companies owing to the different nature of them - FCS is part of National Freight Corporation which includes Lynx and Railfreight.

Competition

GWC (known as Great Western), BDC, Microgen and Colourgraphic were mentioned as the main competition. However, FCS differentiates itself from its competitors in terms of its origins - being originally the IT department of National Freight, then becoming a separate company. Because of its technical bias therefore, they feel they have a relatively rare (although not unique) selling point of being able to understand and write the highly complex meta code for unusual or highly specific requirements on the Rank Xerox lasers.

Clients select vendors because: they are aware of the vendor, credibility to provide a good service has been established (particularly important with the banking clients) and finally price. Price is seen as less important provided that the quality of service is proven and delivered. Competitors for other parts of the business are very different due to the nature of the businesses.

Applications

The majority of work is for secure printing such as payroll, billing and statements and other high quality documents being sent direct to FCS's clients' customers. These are mainly in the financial and insurance sectors, but also major work has been undertaken for PowerGen and for local authorities for Council Tax,

Poll Cards and Electoral Registration.

The only major change envisaged is in the use of bar coding for electoral registration. Printing will continue to be absolutely fundamental to the business and cannot be more critical.

Markets

The market is massive and growing steadily - Mr Kirby sighted the example even of a small company producing specialist cakes to order: they are using direct mail to communicate with and elicit further business (Meg Rivers Cakes of Warwick).

9/5/6

The main opportunities in the use of new technology is in CD for document management. But having said that, paper is still continuing to be used and increasingly so, although mailings are more targeted there are more of them. Threats are simply increased competition in a busy market place.

Customers face problems in the quality of paper supply: different papers react differently to different inks when drying and this is especially important with colour print with variations in colour being particularly problematic. There is a need for the customers to be educated on these issues and his documents - he needs to know about soft and hard fusing technology (the soft one picks up inks easily but can cause ghosting on certain papers).

Perhaps because of the complexity of the issues and the loss of experienced buyers during the recession, there is an opportunity for a complete or partial outsourcing/FM service to be provided . Client companies typically worry over the apparent loss of control and flexibility but are being sold on the benefits of reduced costs in terms of maintenance, capital outlay for machinery, staffing, storage or, in the case of some clients, not needing to have an extra shift for additional printing. All this enable the client to concentrate on his core business.

Sales & Skill Requirements

Business is gained through contacts between the Operations Director or the Business Development Manager (Mr Kirby) and once signed is handed over to one of the five technical support people who are currently also pseudo account managers. This expected to change a little where more formal account management will be introduced.

Account management skills will be increasingly important. In terms of technology the move to A3 in October is very important although at the moment, there are no plans to move to colour. As business continues to grow, the need for further storage facilities and the need to persuade clients to pay for it will become more important.

An interesting and innovative use of the outsourced print service has been in the printing of Milkmen's round books for Waterford's Dairy - up to 600 different items can be sold from the milk floats so the record books are detailed and worth providing as a quality document to the roundsmen.

#9

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Hobs Direct Mail Ltd	Turnover:	£1.5M
Address:	5 Orion Way	Employees:	23
	Kettering Business Park		
	Pytchley Road		
	Kettering		
	Northants NN15 6NL		

Contact:	1. Neil Pike, Chairman	Tel:	0536 416426	Fax:	0536 416002
	2. Philip Hutchison Tech Director	Tel:		Fax:	

Company organisation

A Laser printing and finishing company that can also provide data processing services, specialises in technically difficult printing onto plastic cards, labels etc. This five year old company has been growing at about 40% per year.

Services

Q1 The company does not provide equipment or software but concentrates its services around the finished print product. They consider themselves a young company with the simple aim of continuing growth by doing more of the same: laser personalisation is likely to grow more as is the direct marketing and business forms Q1a area using their data processing skills. 'One piece mailers' for such things as payroll is also high on the agenda.

Q1b They do not have formal partnering but do have good associations with approved suppliers for enclosing and print of base stationery and four colour printing (Print Direct of Stockport) and for business forms (Trade Tools of Derby).

Q1c Since all their work concerns printing there are no synergies to be had with any other aspect of business.

Competition

The main competitors were identified as Financial Stationery (Manchester), Smiths Business Forms (Great Dunmow), Concept Laser (Bradford) and Mail Marketing (Bristol). Their strengths are seen in their flexibility and the technical skills of the staff and the weaknesses of some competition, particularly the newer organisations, is in 'suicide pricing' where the margins are so thin that it is not good for the industry as a whole. Some competitors trade one service off against another, for example, laser printing may be done at a very low price and the mailing work charged higher, or vice versa.

Clients select print shops on 1) price, 2) speed of turnround 3) service 4) previous knowledge of the supplier or a referral. All competitors are in the same business.

Applications

Hobs is involved in secure printing and high quality external documents as well as local government communications. They are experiencing a growth in the printing of internal documents but these are typically standard forms of a lower quality . Financial services and insurance companies such as

Barclaycard, Commercial Union are their mainstream customers with the local councils providing council tax demands, electoral register and poll card work, for example London Borough of Bromley, Newbury etc. They anticipate local government volumes will increase with their current changes and see the possibility of more central government work in the future. Electronic communications are increasing but there is no doubt that paper is still the most important - witness the paper production statistics.

Markets

The market is very large - he understands that 720 million items were mailed directly in the first quarter of 1994, thus approaching three billion items in direct mail alone this year! He estimates that this will continue to grow at 20-25% over the next two years and slowing down or stabilising due to increased targeting/personalisation services. This increase in targeted mailings is seen as a major opportunity where overall growth will occur although any one client may mail less. Mr Pike is witnessing more companies switching from in-house to outsource and vice versa so there is a need to stay close to the market and stay flexible. Since there are so many newcomers to the market he expects there to be casualties in the direct mail service providers. No specific threats wee identified since he believes that the government will not ban direct mail despite calls from some consumer groups for them to do so.

As a result of the restructuring and delayering that has occurred during the last few years of recession, clients have lost many of the skilled middle management who were capable print buyers. Because of this lack of skills in the client organisations, there are more pressures on them to outsource their printing activities to others with the skills. There are opportunities to outsource the whole print shop including photocopying. The main drivers for clients to outsource however are the need for a total service and the need for better cost control. Against that is the internal 'empire builder/protector' (especially related to local authorities) and the concern over security and confidentiality (especially payroll).

Sales & Skill Requirements

The main contacts between Hobs and its clients are personal contacts between the Account Managers and the Chairman of Hobs with the senior people in the client organisations. This has worked well for them over the last five years and no significant change is expected.

Keeping skills up to date and providing training to add to the good base of skills already present are sighted as the most important issues in terms of Hobs skills. Introducing full colour laser printing with duplex personalised printing, there are possibilities of even being able to print personalised holiday brochures. In terms of facilities, it is anticipated that with growth larger premises and further investment in new equipment will be inevitable.

Mr Pike sighted the example of integrated labels and plastic cards for membership organisations and the invoice/delivery note/statement/label as relatively recent innovative usage of the current technology.

#10

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Hoskyns	Turnover:	£200M
Address:	130, Shaftesbury Avenue London WC1V 7DN	Employees:	3000

Contact:	1.	John Harris Director Outsource Delivery	Tel:	071 434 8622	Fax:
	2.	John Kelly	Tel:		Fax:

Company organisation

Owned by CGS, French Group: Hoskyns Group organised into FM, Training, Consulting companies

Services

The major revenue earning service is Facilities Management which often involves taking over an in-house computing function, the computer installation and the staff. The company does not provide hardware or software products to its clients and only provides its printing services as a totally integrated part of one of its other services. They are specialists in FM and sometimes are required to provide a complete outsourcing of all major applications, for example, British Petroleum. They do not expect to make any specific changes concerning printing and do not partner with any organisation other than parts of their own group. Hoskyn's services cannot divorce printing from the other aspects of its business since it is so closely integrated.

Q1.

Q1 a/b/c.

Competition

Main competitors are seen as EDS, SEMA, CFM and increasingly Computer Sciences Corporation. No specific strengths or weaknesses of competitors were identified but were summarised as the normal issues on any particular contract: for example, price, service level agreement, industry sector experience and so on.

Applications

As a service provider, all applications across all industry sectors were seen to be as important as any other. However, it was interesting that no mention was made about the business critical external communications of their customers, for example, direct mail, statements, billing, so depending on the hardware resources of the south bank centre, it is possible that Hoskyns may be somewhat behind the leaders of the print outsource market, particularly with respect to continuous feed highlight colour mailings.

Markets & Sales & Skill Requirements

Again, whilst the market for FM is seen to be very large and growing, it was not possible to divorce the print side of the business from the rest, so no estimates were available. At this point it became very clear that did not see or wish to see any separate market for bulk outsourced printing. The business they are in is complete FM and requires all their effort to keep staff skills, hardware and software up to date and able to meet customers' expectations and service levels. No further detailed comments were made.

#11

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Kenrick & Jefferson	Turnover:	£30M
Address:	High Street	Employees:	620
	West Bromwich		
	West Midlands		
	B70 8NB		

Contact: 1. Mr Steve Adams, Commercial Director
Tel: 021 553 0718 Fax: 021 553 0718
2. Tel: Fax:

Company organisation

The company is organised into three main divisions: Business Calendars (overprinted with the client name), Envelope Production (for the insertion business) and Security Print & Systems Division, the latter being responsible for ⅔ of the company's turnover.

Services

The Security Print & Systems Division provides three main services: £20M

Q1.

- Business Forms (including bar coding, mechanical or ink jet marking)
- Security Print & Finishing (including MOT certificates, gift vouchers, with or without holograms and the follow up tracking systems such as redemption and value reconciliation)
- Transactional Informational Systems - in other words where documents are produced as a result of a transaction of some kind with the client (this includes producing passports for a number of different countries):
    - Personal cheque books for three of the UK clearing banks
    - Transactional Mail, for example sensitive work on registrants for privatisations of large organisations
    - Invoicing/Billing for the utilities, for example, Thames Water twice per year, mobile telephone company billing, taxation and even purchase ledger and expense cheques for one company.

1a Investments will include further capital sums for laser printer capacity, another Siemens reel to reel and a Rank Xerox 4890 highlight colour laser and three new Bell & Howell inserter machines .

1b Partnerships exist for the purposes of dealing with overflow, for the provision of envelopes and stationery where the client has decided not to use the supplies of Kenrick & Jefferson (K & J) and for export to Microfiche and Microfilm. There are certainly synergies between the Envelope business and the printing

1c business and the aim is to increase this. The Business Calendar Division is very much a separate business

Competition

The main competition is considered to be the in-house print shop but of the external competitive vendors, Microgen, EDS and various companies where former K & J employees work such as Bowater, CCN and at the smaller end Stralfors.

Competition can be very severe on volume print (hence their investment in a Siemens it would seem) but they expect to continue to win business based on their technical expertise and support, their BS5750 certification and importantly, the fact that they have in place the security and data control systems to cope with the demands of the financial clients. Additionally, since the logistics of dealing with so many different types of pre-print is complex, their large and competitive storage/warehouse facilities are seen as valuable by their clients. Security & Data Control are definitely 'hot buttons' for the clients, together with reassurance of value for money and their practice of maintaining a high level of communications with clients - even or especially if something has gone wrong - this latter was rated very highly on the grounds that it contributed greatly to a strong 'feel-good' factor with their clients.

As stated above, the competition in the this part of the business has some links with the Business Forms Division but very little commonality with the competitors of the Envelope Division.

Applications

The majority of the work is classified as sensitive rather than secure - since secure to K & J means one piece mailers of the kind used for payroll and sensitive refers more accurately to the feelings associated with an individual's dealings in a privatisation issue, or the avoidance of fraudulent production of passports certificates or redeemable money-value vouchers. K & J complete work in all the main industry sectors but the government work has been restricted to the privatisation work; Thames Water is the biggest utility and the local government work is only annual and there are some organisations offering the service at 'silly' or suicide prices so they see this sector as one to service primarily on an 'on request' basis only. The main changes expected are to be in the routine outsourcing of billing and the frequency of print outs on demand by clients using a daily, weekly or monthly billing cycle.

Mr Adams believes that long run Litho printing is on the decline owing to increased personalisation and there is therefore the need to add value through related services such as the hologram or the bar code. EDI may in due course reduce billing. A major issue is the time critical nature of the current and expected timescales - at one time an organisation like K & J would have been expected to print something within a week or two, but now, the data for a mailing may arrive at 8.00 in the morning but the whole job may have to be despatched by the evening of the same day; this certainly illustrates the importance of data communications.

Markets

The market is seen to large, estimated at about £100M with the direct mail side growing, despite more focused direct mail there are now more players on the market. Growth is estimated as strong but impossible to guess a percentage year on year.

95/6

Given the governmental drive towards competitive tendering, it is expected that there will an increase in the work afforded by such central government departments and local government. In addition they have witnessed an increase in new startup companies wishing to avoid having their own print shop by outsourcing immediately, for example some mobile telephone companies. Threats include EDI, Document Image Management, inexpensive local area networks inside organisations and the possibility of smart cards having a magnetic stripe which can record the transactions made with it and enable end users to control or undertake self-billing.

Due to the increased pressure for speed and timeliness of critical documents and the drive towards more targeted mailings - everyone has recognised the wastage in carpet bombing mailings with only 1-2% response rate - there is an opportunity for the provision of a completely outsourced print shop. The expensive skills and hardware required for targeting and laser printing the results at speed are driving clients towards the larger service bureaux/organisations. This has brought with it the need for effective

logistics on the part of either the vendor or an in-house user - to be able to control levels of sensitive paper stock and ensure that it is available from secure warehousing to be fed to the print shop.

Sales & Skill Requirements

K & J have a sales force which deals direct with the finance and operations people of the client companies. Occasionally they have to deal with the IT , print shop or professional buyers, but they prefer to avoid these areas if at all possible.

One of the key skill areas for the future for all staff is communication skills to enable them to really understand and react to client requirements. Control systems for the logistical reasons mentioned above and data management skills to enable everything from mail sorts to the insertion of variable information are also of increasing importance for the future.

In terms of technology there is no doubt that colour will have an increasing role to play, particularly the ink jet technology, graphics will be integrated further and speeds of insertion machines will increase further. They already have a five acre site and with continued growth of the division and envelopes the business forms may move as a separate entity from the site.

A new and interesting client is Eurotunnel for which K & J produce all the freight documentation in six languages and eight currencies. In due course they will also be handling all the pre-booked passenger tickets - bookings made will be passed by data communications link to K & J for processing and printing of the personalised ticket with name and other relevant details.

Mr Adams felt that perhaps we could have asked more about the problems of actually making money in this business where clients particularly have not yet realised the cost of warehousing and are reluctant to contribute to the cost. He also raised the importance of being able to offer the client more than simply print and despatch - the example of the gift voucher response handling and reconciliation and providing the client with useful management reports.

#12

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Mail Marketing Bristol Ltd	Turnover:	£13M
Address:	Springfield House West Street Bristol BS3 3NX	Employees:	450
Contact:	1. Brian Potter, Client Services Manager	Tel:	0272 666900
		Fax:	0272 634348
	2. Tel:	Fax:	

Company organisation

This well established mailing house/bureau is organised along service lines as detailed below. It is well equipped with four Rank Xerox 4135 Manhattans and three reel to reel Siemens NDX machines.

Services

This is a service company which can provide everything from the artisanal type service of creative and design for direct mail, through data handling, data processing, laser print, fulfilment and response handling. In addition they do list broking and have a telemarketing activity. They do not however, provide equipment or software - a lot of their work comes from the Database Group who do the database design and software work.

Q1.

They do not provide FM service but have used such a service in part from their competitors. It is expected that any changes will be dictated by continuous improvements to the latest technology, which is always kept under review and that there will be consequent evolutionary change - no great step function change is envisaged.

1a.

b.

There is no formal partnering but they do have good relations with a number of competitors for dealing with overflows and work peaks. The whole business is so integrated that there are always possible or actual synergies between any part of the business and any other - cross selling is de rigeur.

c.

Competition

Main competition is from MailComp, The Lettershop (Leeds) in terms of direct mail work and there are various others in specific areas such as telemarketing. Their competitors are very strong in terms of the sometimes wider range of services they are able to offer, they are certainly professional and often very competitive on price. Seeing no real weaknesses in their competition, Mr Potter clearly has a healthy respect for them.

Clients appear to select vendors on price, quality and stability for the most part, but quite often geographic location has proved to be important to enable easy access for the client to the Mail Marketing offices and/or easy delivery of stationery or finished goods.

Applications

There is no doubt that this company majors on direct mail and it is in high quality documents for the clients' end users that the company is focused. They provide their service to the whole range of organisations from financial services and insurance companies, the utilities (for example, the flotation of the electricity companies), council tax demands for local government and a variety of central government departments through the Central Office of Information which acts as the agency, for example, dealing with the responses to DSS advertisements highlighting new benefits to be claimed. A significant amount of work for charities is also undertaken.

It is expected that there will be an increase in the diversification of products being marketed through direct mail - Mail Marketing was another organisation to mention the announcement by Heinz that a large amount of the marketing budget is to be assigned to below the line marketing. Retail organisations are also expected to increase their direct marketing spend - store cards for example.

Printing will be even more important to businesses when speed and high quality is possible with colour lasers, enabling personalisation in one process - this is already possible with the four colour in-line web ink jet technology where speeds of up to 40,000 feet of paper per hour can pass through the system.

Markets

No size was estimated but Mr Potter stated that the market is clearly large and he expects pronounced growth for the next 4-5 years followed by steady growth. This will have the effect of causing a decline in the re-print market - it will be less necessary if unique composite documents are created in one pass.

Q5/6.

The main changes are expected to be in the areas of increased speed and quality of print with increased ability for personalisation. No particular threats were identified but Mr Potter indicated that there would be odd applications that may reduce print in certain areas.

The opportunity to provide a fully outsource print shop is certainly there but it appears unlikely that Mail Marketing will be in that market.

The main reason for any organisation outsourcing its print activities is to do with cost: they can buy for a fixed price when required and so do not have the large capital cost of equipment the capacity of which would only be used occasionally. In addition keeping the skills resident in-house is also an expensive and time consuming activity, not necessarily related to the core business. On the opposing viewpoint, many clients are concerned about the apparent lack of control and the security implications for sensitive information.

Sales & Skill Requirements

Staff of client services deal direct with the principal mid-level buyers or brand managers in the clients' marketing departments and no changes are foreseen in this area.

For the future of Mail Marketing, they accept that they must embrace new technologies and formats and through training motivate and retain their skilled staff. In terms of the technology, more work is now possible on the apparently simpler systems - there is a movement from mainframes to minis to PCs with the easier interfaces of graphical user systems. More research is needed to enable this company to be involved in such bespoke systems for clients. Space continues to be a problem: although they have 275 square feet now it will not be enough for long.

There has been an upsurge in complex origami work for direct mail and this does cause problems for them. There is a need for a creative director to be more commercially aware when designing some of these pieces. One of the things Mr Potter indicated we had not covered was the continuing importance of Cheshire labels - still the preferred solution for direct mailing of many of the low cost charity organisations.

#13

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	MBA Group	Turnover:	£7M
Address:	32-36 Garman Road London N17 0HW	Employees:	130 full time (+100 part time)

Contact:	1. Ian Page, Mktg Mngr	Tel:	081 365 1888	Fax:
	2.	Tel:		Fax:

Company organisation

Marketing themselves as a one-stop shop, direct marketing production company, the MBA Group started life in 1984 with simple mailings, then progressed to laser personalisation and now help large data processing shops meet user peaks of demand, accepting data by both tape and data communications.

Services

MBA only provides services - not equipment or software - but a very full list of services:

Q1.

- artwork and list creation
- list maintenance and management
- FM for one organisation
- data processing and postal sort/rebate
- laser print, personalisation, digitisation, warehousing, stationery & production
- Litho wet ink print Heidleberg's 2 + 4 and SRA/3 Presses

1a. The only changes in the medium term future will be in the continuing area of technology and equipment upgrades.

1b. They have two kinds of partnership:

- Form finishing such as origami (complex paper folding), plastic service and glue application.
- Publishing: Direct Imaging Technology (DIT) - short run colour work and dry litho printing from PostScript file output to produce four plates simultaneously, for example in producing 2000 market research reports for the city market with quality finish including colour. He thought this may be of use to Input.

1c. There are definite synergies between one part of the business and another since once an organisation begins using one service another related service can be introduced and sold.

Competition

Mr Page identified two types of competitor - direct mail and laser printing. Those concerned primarily with direct mail included such organisations as Letterdrop (Leeds), Mail Marketing (Bristol), Mailcom (Milton Keynes), Olwin Press and SR Direct Mail. On the laser printing side it was mainly Microgen and Microrite that were the most noticeable competitors.

Direct Mail competition is usually won by other companies due to their long history in the business and the normal customer loyalty of the industry. In the case of laser printing, it is often the distribution of the print facility - both Microgen and Microrite have more sites than MBA. However, MBA feels that it has stronger account management and have formal project management approaches to assist a client from quotation through to service, invoice and follow up. One of their biggest selling points is that the MBA site is actually the largest SINGLE installation in the UK: they have eight Rank Xerox major lasers all in on place (fine for in-house back up but not such a good story for Disaster Recovery!).

In MBA's view the main selection criteria used to select vendors are 1) Project management skills 2) Timeliness 3) Quality 4) Competitiveness, particularly price.

Applications

The majority of the business is in producing high quality external documents of a direct mail nature from client to end customer and important internal documents such as procedure manuals and internal telephone directories, stockbroker reports and so on. No great changes are expected here.

On-line access/viewing and the TV shopping channels may well replace some aspects of direct mail in the future.

Markets

The direct mail industry is believed to be huge, perhaps as large as £1Bn and certainly growing at around 15% per annum.

One of the big opportunities they perceive is the potential use of UK mailing organisations by US corporations to give them fast access to the European market. To this end they are participating in an exhibition in San Francisco a little later this year. The biggest potential threats are the introduction and growth of direct response TV - the shopping channels - and the on-line viewing of documents and data communications.

Clients are now beginning to realise that it is realistic to use a complete facilities managed print operation but so far this is relatively small, MBA having signed up just the one client. The main reasons for an organisation to choose to outsource its printing are in two areas:

- delegation of a variety of tasks and being able to focus clearly on who is to blame for any problems
- concern over keeping up to date with the technology in terms of the equipment, the skills and the cost of meeting peak volume requirements on what would almost certainly be a smaller in-house installation.

On the positive side for keeping an in-house shop there is the common mis-perception that the costs would be a lot lower, owing to the lack of detailed understanding of all the overheads and not applying them all. The other main concern is over confidentiality and security but MBA claims to overcome this with its facilities such as closed circuit TV, identity cards and the use of (encrypted?) electronic delivery.

Sales & Skill Requirements

The company has a new business sales force to gain business and this is then handed over to the project management/account management. Typically the contacts are first made to the marketing department, the administration director, operations manager or the financial director. However, more recently, with the advent of a new type of client, namely the FMCG corporate (for example, Colgate Palmolive) the contact

has been with the production supervisor in the agency (for example, Olgivy & Mather). No further changes are expected in the immediate future.

As with many other suppliers the main concern is keeping up to date with the hardware and technology and sighted the examples of Rank Xerox, four colour lasers from the Israeli company Indigo, Direct Imaging (ink jet) on Heidlebergs and Xeikon machines. It is expected that MBA will buy a Hunkler form finishing machine in the near future.

The quoted interesting user of these facilities mentioned was the Direct Response Magazine - Mr Page has just received his first personalised copy with his name and address on the front cover - put there by the ink jet technology combined with the wet ink Heidleberg press system.

#14

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Microgen (UK) Ltd	Turnover:	£10.5 Million
Address:	1 The Triton Centre Abbey Park Premier Way Romsey SO51 9AQ	Employees:	55 + 100 in separate Division

Contact:	1.	Dave Herridge, Gen Mngr Electronic Docs Div	Tel:	0794 513789 x202	
			Fax:	0794 511738	
	2.	Douglas Lee, MD Windsor	Tel:	0344 899265	Fax:

Company organisation

The company describes itself as an information management company and is purely a service provider with its origins in computer output to microfilm and microfiche (COM), producing 26-30M documents each month on film/fiche. Turnover is £10.5M and there are 55 staff with a further 100 in a separate division. 40% of revenue is generated by the printing activities.

Services

Microgen continues to provide microfiche and film output and now also provides professional print management, facilities management of printing onto high speed continuous or sheet fed laser. The sources of data include floppy disks and magnetic tape files in postscript and Microgen can provide scanning, digitisation and highlight colour services.

Q1

Microgen has pursued the same basic strategy over the last 4-5 years: they first sell and audit and then propose an appropriate service to meet the clients needs - this can encompass all forms of activity from full FM for the larger companies, including photocopying and off-set litho work. Typically no database management work is provided as they do not see themselves as a direct mail shop. They have partnerships with other organisations particularly if off-set litho work or photocopying work is included. Since they have two Kern multi-mailing machines, they are able to provide all types of finishing, binding, wrapping (including plastic) and enclosing services. This is very useful for franchise organisations like Body Shop, each outlet of which cannot afford to have the equipment itself.

1a

1b ← Q1b.

1c There are sometimes synergies between the COM business and the laser print businesses - COM being typically used for archive materials but business critical documents being committed to print.

Competition

Rank Xerox, in the form of Xerox Business Services (XBS), MR Microrite, MBA (established by ex-Microgen staff) and GWC are seen as the main competition. XBS has its size and name to trade on but its account management appears to be weak, tending to sell on price and providing inconsistent quality. MR Microrite is a good competitor but although smaller has good distribution, including its recent acquisition of the Laser Shop in Maidenhead.

The key factors for selection of a print shop are first the ability to provide the service within the usually tight timescales and secondly price. Mr Herridge also believes that being easy for the client to deal with

is a major contribution to winning business. The only competition which offers COM is MR Microrite through its MR Datacom subsidiary but otherwise the competition is always from the same group of mainstream competitors.

Applications

Microgen provide the printing for high quality external documents and retail items where there is large volume but a low price. The financial and insurance industries are the most important revenue earning sectors but they did turnover £0.5M on council tax payments and about £3-400K on Poll cards during last year. Financial documentation is certainly becoming more critical to clients' businesses as the degree to which information is desired and required, sometimes by legislation, increases.

Markets

The market is huge - in the billions of pounds and appears to be growing at 20%+ per year. He is expecting a reduction in the work for the retail sector but an increase in the finance and general commercial side of the business. Invoices, statements and the internal requirements of organisations for reports, stocklists, telephone directories and so on look set to increase.

There certainly seems scope for a complete outsourcing for all print including off-set and photocopying. However, the decreasing cost of technology may well pose a threat as many smaller operators will be able to enter the field. He expects current machines like the Sienna (Rank Xerox £300K to decrease maybe even to £50K over the next 4-5 years; similarly Delphax machines). Currently the big litho printers are the only wealthy ones with the skills to enter the market.

Customers are facing demands on timeliness, for example, end of month prints, and this together with increased complexity of requests for more targeted/focused mailing encourage them to seek outside assistance to achieve turnround times required. There is something of a social normal (perhaps stimulated by the government and press concerning outsourcing/competitive tendering) to study outside offerings to enable a customer to 'focus on the core business' and this has been mainly in the financial services businesses. Selling the service is easier if dealing with the Financial Director but otherwise one can encounter difficulties due to empire or job protectionism, coupled with the usual worries about confidentiality, turnround and of course price.

Sales & Skill Requirements

Most successful sales are achieved by good contact between the account managers of Microgen and the Managing Directors or Financial Directors of the client company; it is not envisaged that there will be any major change in this in the foreseeable future.

The most important skill continues to be the ability for account managers to talk credibly with managing directors of client companies, maintaining their technical knowledge and dealing with the complexity and variation of the work in hand - more training and technical support will be required both by Microgen and by its customers. Printer costs and the use of RX Docuprint/docutext technologies will be increasingly important and more physical space to run the business will be required.

#15

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	MR Microrite Systems Ltd			Turnover:	£2.5M	
Address:	Gate House			Employees:	78	
	1 St John's Square					
	London					
	EC1M 4DH					
Contact:	1. Dave Whitnell MD		Tel:	071 251 8567	Fax:	071 251 2003
	2. Sarah Jones secretary		Tel:		Fax:	

Company organisation

MR Microrite was set up in 1983 and is a service bureau serving blue chip organisations and direct mail agencies. Across the MR Data Management Group they can now provide a complete range of services from data capture, OCR, database and list management, CD data management, personalisation, stationery and laser printing.

Services

MR Microrite is one of the leading laser print bureaux and appears to be one of the two offering computer output to microfilm as well the normal or standard and added value services (Microgen is the other one). Additionally they highlight the fact that they can provide a detailed report analysis of print produced comprising volume figures, number of pages produced and number of addressees. They do provide some software for clients: in particular for clients with a PC network they have written a package in C for print and extraction of data which produces a print file suitable for use by the MR Microrite systems. They also provide full FM where required and through 'partnering' with other members of the group are able to offer a full one stop shop. A recent acquisition of the Lasershop in Maidenhead gives them further geographic spread which is important for some clients.

Q1.

1a Expected changes in the service offering are likely to include an increase in the growth in invoice management and FM activity. Purchase of a new £200K Bell & Howell will enable Optical Mark Reading (OMR) for intelligent selection and insertion and folding of up to 8 page documents plus six brochures into a C5 envelopes - sounds magic!

← 1b NO.

1c Synergy within the group is a major issue, enabling computer output to microfiche and microfilm as well as laser printing, finishing and insertion.

Competition

Not surprisingly, Microgen, FCS, Great Western (GWC) and MBA were considered as main stream competitors but Mr Whitnell also sighted some local councils who had ill-advisedly purchased large machines selling spare capacity but not usually managing to provide the level of quality service required.

The competitors with Docutech systems were seen as particularly serious competition but, in his view, most of the competition were unable to sustain the same level of investment in acquisition, equipment and people as the MR group.

Clients were selecting a print shop primarily on service level and quality, timeliness and then the technical

support and capacity of MR's three sites. Because of the nature of the MR group all parts of the group very often dealt with the same clients and indeed were sometimes in competition offering alternative solutions.

Applications

Secure printing including payroll and billing/invoice management together with high quality external documents form the bulk of the work, 30% of the work being direct mail items. This is largely for the financial and insurance sectors but the Maidenhead site was involved quite heavily in working for the gas, water and electricity utilities. All sites have been involved in local government work, specifically Community Charge, Electoral Roll and Poll Card work - but since these are low frequency, high volume work they can be disruptive to other regular client work. Growth is expected primarily in the financial and insurance sectors.

Printing may well become less critical to some aspects of the FMCG sector, in particular the on-line viewing facility for supermarket pricing - lists used to be produced for distribution country-wide but with on-line viewing/distribution this is becoming redundant.

Markets

Mr Whitnell estimates the market to be about £10 Billion and the finance area to be doubling. Overall direct marketing is still increasing, despite the fact that more personalisation is both required and occurring. With the onset of colour, either highlight single colour or full colour print, volumes will increase further.

95/6

Indeed colour is seen as a major opportunity and MR are evaluating the offerings from both Indigo and Xeikon. This, together with the demand (driven by the wish for 'freedom of information' à la USA) for more information should ensure growth above the industry's track record to date. Electronic transfer will pose a threat eventually as in the supermarket example above, but for the next five to ten years direct marketing and mailings look set to grow.

Customers are always under pressure concerning costs especially the capital costs of equipment and the employment of specialist staff with rare and expensive skills. Quality continues to be important but this is well addressed by the Rank Xerox Manhattan 4135 machines. However, since customers cannot afford these they are further pushed towards using specialist bureau who have the machinery and skills. There is certainly an opportunity for a full outsource service and MR do it using the RX Docutech system. (For interest this allows a user to export from a PC Postscript, PCL4 or PCL5 print files, or they can be scanned in as images and produced as quality documents on the RX system). Another reason for clients looking to bureaux for support is the move towards providing end-users or customers with itemised billing, further increasing the print requirement. The example of BT telephone bills was quoted, although in that case the work is done in-house within BT. On the opposing side, clients very often have a perception that there will be a loss of security or that turnround times will slip, and this can slow down or inhibit the decision to outsource.

Sales & Skill Requirements

Given the long history in the business, most of the new business has been generated by recommendation by existing clients, although MR have now established a small sales force, selling primarily to existing clients for repeat or extensions to their business. The finance director, IT manager or the invoice manager within Blue chip and finance corporations are the main target - helping them cope with their peak demands. They are trying to avoid too much direct mail work since that seems to be mainly high volume low value at the moment.

Keeping up to date with the market needs is the main skill required in the business of staying in business

and the same applies to the technology: in other words working out what the client wants/needs and when he wants it. 'One piece mailers' are also under investigation - these are producing such items as secure laser printed payroll slips which are printed and sealed within the printer so they are not readable by operators. Both this and colour will only be introduced carefully and justified on true client demand - and will not be speculative purchase of expensive machinery.

One interesting application mentioned was the laser printing of envelopes in two colours. Another, more complex is in the area of business forms: NCR multi part forms can now be laser printed separately with more personalisation on each sheet - not just for example stating 'Invoice' or 'Delivery Note', but much more specific information related to the document's use - but the signature space can be common to all sheets facilitating a reassurance of security across all the documents.

Mr Whitnell raised the issue that we did not ask specifically about conventional litho printing and the possibilities now being mooted about personalisation of even huge print runs including the Economist or even newspapers. There is also the possibility of further competition from the mailing houses. He suggested we contact Chase Manhattan who used to outsource but he believes have now reverted to in-house printing.

#16

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Printronic International Ltd	Turnover:	£6M
Address:	1 Endeavour Way Wimbledon London SW19 8UH	Employees:	110

Contact:	1.	Diane Lucas	Marketing Mngr	Tel:	081 946 7537
				Fax:	081 947 2400
	2.	Madeline Godding		Tel:	Fax:

Company organisation

Describing itself as a bureau, print and data analysis organisation it is one of the larger and better known bureau and print shops for bulk printing, having both large continuous sheet capability with Siemens kit and sheet fed with the Rank Xerox Manhattan 4135 machines.

Services

Database marketing consultancy and systems development services, together with the associated coding, selection, deduplication and targeting/modelling constitutes the bureau side of the business with production laser printing and warehousing being the remainder. The mainstream work is in direct marketing to customers for its clients: this usually involves selection with output to tape, then personalisation and laser print to clients on pre-printed stationery.

Q1.

They have recently sold off one machine but now have five Siemens continuous and two Rank Xerox sheet fed Manhattans - a huge print capability. Their concern is simply that in the print business commodity pricing has taken over so there is always the need to increase volumes. Printronic does partner with other organisations, specifically mailing houses (Hooton-Schofield and DP Direct) for cutting, finishing and enclosing - enabling them to provide a perceived one-stop shop service. There is a direct relationship between the DP work and the subsequent print work, especially with respect to the personalisation activity.

1a 1b 1c

Competition

The main competitors are seen as GWC, Olwens (of Croydon), Prime Response (a PC based organisation) ISM and Axciom. GWC and Olwens are strong because of being able to offer a genuine one-stop shop whereas Prime Response is extremely price competitive. However, the strength of Printronic's data analysis has proved key, even though they typically do not hold the data or the databases for clients owing to the expense of storage costs. Additionally, the modelling techniques Printronic has developed, similar to the ACORN and MOSAIC systems using geo-demographic data, enables Printronic to provide profiles of Post Code areas to enable more specific targeting, for example, identify 'leafy suburbs'. They believe this rivals NDL's 14M strong database of life style data they have collected.

These competitors cover the whole range of Printronic's offerings.

Applications

95% of Printronic's work is direct mail, particularly for financial service companies such as banks and building societies.

Markets

The main work is financial organisations but they also do work for car manufacturers, charities, FMCG, mail order, publishing and retail organisations. They were involved in the flotations of the public utilities and do a small amount of work for local government concerning council tax. They expect direct mail to remain the core of the business but aim to expand the work in the local government sector.

The mass volume of 'junk mail' has dropped but with the increase in more personalised mailings across all industries, there is an increase in the market from the currently estimated 1.5 billion pieces a year in the UK. It is expected that this will continue to grow at the rate of 6-8% per year in volume but the value in £pounds looks set to decrease a little.

The biggest opportunities lie in increased personalisation and in particular for companies which are relatively new to the direct mail business, such as FMCG companies: the reason appears to be that these companies are very 'data aware' following their experiences in production, stock control and distribution. Five years ago there were only about ten suppliers in the market - there are now about thirty and Diane Lucas believes that this will inevitably lead to a shake-out in the industry with mergers or casualties.

The biggest problems facing customers is budget constraint and resource reduction during the recession; this coupled with the fact that it is a relatively new industry exacerbates the skill shortage problem. So whilst Printronic see an opportunity for full outsourcing services to replace the in-house print shop, they will not be entering it and will sell their services based on their skills and investment in equipment which clients cannot afford. They expect this to continue to overcome the usual objections to clients wishing to continue to use their own machinery or avoid depending on an external organisation.

Contacts with clients are through the sales force and account management team. This is broadly successful but Ms Lucas sees that in the future more flexibility will be required and with possibly an increase in account management activities.

Sales & Skill Requirements

Keeping up to date with the technology and the clients' businesses, most likely through recruiting more staff directly from the clients marketing teams to ensure that Printronic continue to really understand the clients' needs and approaches. Technology will always require working on in order to keep their software at the leading edge. No immediate requirements for extra building space, warehousing or offices appear to exist.

Ms Lucas sighted the introduction of angled printing and the personalisation of mail lists for different international markets as the most interesting 'new' activity of the moment.

#17

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Rank Xerox (UK) Ltd	Turnover:	US$20M (mostly copiers)
Address:	Bridge House Oxford Road Uxbridge UB8 1HS	Employees:	4500 in UK

Contact:	1.	Mike Braggins Printing Systems Mktg	Tel:	0895 251133 x3489
			Fax:	0895 251133 x3078
	2.	Mark Ward/ Malcolm Wells	Tel:	Fax:

Company organisation

Largest worldwide 'Document Company' providing a complete range of products and services through a hierarchy of companies reporting to the US parent. This part sells the high and medium range high speed, high quality laser printers to the typical laser print bureaux that have been interviewed in this survey. Xerox Business Services trades as a company indirect competition with those print bureaux and the Xerox Copy Shops compete against the likes of the franchises of ProntaPrint and KallKwik using the small range of copiers/printers. There may well be an increase in the marketing of the smaller laser printers for the PC market place through the main PC distributors such as Frontline, Merisel and Ingram in the near future.

Products/Services

There are four business divisions: Document Production Systems (Docutech), Office Documentation Products (ODP for copiers), Office Document Systems (Desk Top Lasers and Faxes) and Printing Systems (producing lasers to print at speeds between 11 and 135 pages per minute).

Q1. Printing Systems also provides some software but this is specifically related to its mission to sell the hardware and maintain connectivity - since RX is not aligned to a computer manufacturer it must ensure that its printers can be driven by a variety of sources (IBM, Pitney-Bowes, Bell & Howell, PFI etc). RX believes itself to be a true open systems vendor. Consequently the software is very technical for IBM's Advanced Function Presentation (AFP) and XPAF (?) for use with Forms Design, Job Setup Design and Pen Plotter interfaces. The division also provides equipment maintenance (high price but high level of service for critical applications).

FM work is carried out by Xerox Business Systems (XBS) also based at Bridge House: if a separate interview is desirable then contact Paul Gleeson, Director or Colin Chapman, Marketing.

1b RX do partner through the XPAL organisation - Xerox Partners Association (a number of vendors and consultants) for finishing work. They also partner with a number of interface manufacturers, for example IBM in the USA, ICL in Europe and three other companies FunAsset, Spur Products (US) and Menticaptus (in the US Barr Inc) for such items as spooling software to enable spooling from the US to the UK.

1c Clearly, there are many links for productive synergy across the family of companies in the RX group.

Competition

The main competitors are seen as IBM, Siemens, Océ, Hewlett Packard, Fujitsu (increasingly) and ICL

(decreasingly). As far as IBM and Siemens are concerned it is the sheer speed of print: for example, the Siemens machine when used for continuous billing at British Telecom is able to achieve duplex printing at 224 pages per minute, that is , equivalent to 448 pages per minute - well above RX top speed of 135ppm. Also RX is relatively an expensive supplier but for sheet fed work it is clearly meeting the needs and cost profiles required of its clients.

Clients select machine vendors on price, support services (where RX believes it is second to none), reliability and performance /quality (especially true in the high end print range) and finally connectivity.

Competition is different for the manufacture of high speed lasers to the copying market but not with respect to the Docutech market. Even so there is an increased merging of business supply and the clients who require a full range of service.

Applications

Secure printing such as payroll and cheques, high quality external documents for direct mail or customer communications are very important. Internal documents if the volume justifies it also feature.

Markets

Financial services, insurance are clearly important having both the volumes and the money to justify it but increasingly Local Government for high volume statements/billing are becoming direct buyers of RX machines, for example the London Borough of Hammersmith and Fulham. Also the use by the utilities for the same applications is growing.

Printing may well become less important for the production of management reports where on-line viewing may take over but this is still a minority application so the huge market (figures will be supplied by Mike Braggins following his holiday) will continue to grow at around 5% per year; the high end printing market is likely to stabilise and be a flattish market fairly quickly since there are not that many organisations with the billing activity of say BT or a major Water Authority.

QS|6

The main opportunities lie in the provision of colour and printers for IBM mid-range machines. The RX4850 Manhattan has been in the market for about 2½ years, sells for about £300K and provides highlight in a single other colour (red, blue or green) and this has been shown to have a significant improving effect on end-customers bill paying behaviour (see enclosed study). The main example is the Red final demand notice where the colour strikes mild terror into the heart of the average debtor, inducing speedier payment. Concerning the IBM mid-range market, which has done well from organisations downsizing/rightsizing during the recession, a significant opportunity is presented if the IT managers can be persuaded to switch from IBM to RX.

In terms of threats, on-line viewing and more focused direct marketing from the databases may well cause a lower volume of print. This may lead to low end competition, the driving down of prices and the placing of margins under threat. For example, Siemens have been conducting some very heavy marketing with a price competitive campaign.

Mike Braggins certainly sees an opportunity for providing full outsourcing for a print shop for an organisation except for the very local copying and this can be done through XBS. Customers will continue to be sold on the economies of scale represented through using outsource companies and through the pressures of techno-fear and not having resident in-house skills. The downside is always the fear of loss of control, security and the inability for the client himself to experiment with new ideas, since with an outsourced facility, any new trial always has to be paid for separately.

Rank Xerox has a sales force which has traditionally sold to the IT type manager in a company or bureau but is now increasingly selling to the marketing department in client companies and through Value Added Resellers (VARs) for the IBM mid-range market and the low end copy market.

Sales & Skill Requirements

Connecting mainframes to local area networks is often a technical challenge and there will be an increased need to gain the required skills. RX must maintain its position as a leader of technology in the market and continued investment will be required to have the kind of Unique Selling Proposition (USP) that highlight colour represents. Given the increase in sales to bureaux there is the risk that RX will become a little remote from the end customers requirements and although XBS will be continuing FM, there is a real need to keep on track with end users such as local government.

Mr Braggins sighted the examples of highlight colour and front end software designed to ensure that the document is totally relevant to the recipient. Also the production of specialist compound documents of the kind required in an insurance policy, that is tailored specifically for the audience of one, containing only relevant clauses and numbered sequentially throughout - avoiding the awkwardness of covering notes stating exclusions which have been so common and so confusing to the lay reader. He quoted the example where BE Contracts Division has worked with Siegel & Gale, a specialist PR company, to simplify the contract documents being sent to householders requesting additional lines/service.

A final point is the possibility of the merging of the IT and the print shop within a company and the separate merging of wet ink print shops and computer bureaux. This would blur the whole current view of the markets making prediction even more difficult.

#16

INPUT: PRINT OUTSOURCING
VENDOR REPORT

Company:	Roetarn Ltd	Turnover:	£2M
Address:	Studio House 5-7 Flowers Hill Brislington Bristol BS4 5JJ	Employees:	87

Contact:	1.	Phil Conacher	Acct Director	Tel:	0272 724400
				Fax:	0272 724501
	2.		Tel:		Fax:

Company organisation

This marketing services organisation is one of the two to which The DataBase Group outsource some of their requirements and it provides a wide range of services from data base design to data capture, laser printing, enclosing and finishing, response handling and fulfilment.

Services

Q1.

Whilst occasionally providing equipment for clients to enable them to access their own databases on the system, the prime focus of the company is to provide services to assist the client in marketing its products and services. This encompasses the whole gamut of planning, data analysis/database design, data capture and processing through to laser printing, folding, guillotining and enclosing. In addition they also provide a list management and rental service, a response handling ability (from reader enquiry services through banking of donations for charities), mail order fulfilment and the provision of leads through to salesman for follow up. They do not expect the range of services to increase but certainly expect volumes to increase in all areas.

1a

1b

They do not have any formal partnerships with other organisations but do, as many in the industry, have a number of good relations with other vendors to whom they contract overflow work. There are definite synergies between the label printing/list rental business and laser printing but otherwise the work is already well integrated.

1c

Competition

The main competitors are seen to be Mail Marketing, GWC (Great Western) and Mail Force (in Northampton). The competitors are viewed as particularly strong where the sheer size of the operation is important - for high volume, bigger contracts. However, the larger an organisation, the less flexible it becomes, enabling Roetarn to be aggressively competitive, which is especially important in the non-print areas of the business, where price competition is different from the laser side (where added value can be demonstrated more easily) and is extremely tough.

The criteria by which clients typically select vendors are: 1) Quality of service 2) Price 3) Geographic location - must be close for ease of delivery and contact between the parties.

Applications

The most important applications are secure printing and direct mail quality laser printed documents for the financial services organisations such as Banks and Building Societies, Insurance and the Utilities. Invoicing and statements and payroll appear to be the most common non-direct mail applications whereas the personalised mailing of direct 'company to customer' communications the remainder. No significant changes are expected in the foreseeable future to this pattern. Printing is envisaged to remain a critical aspect to most businesses given the preference of most people to continue to read from print rather than a screen of an information superhighway.

Markets

Markets are considered very large and growing at around 10% per year, especially in the direct marketing field. It was important to note that major FMCG companies were beginning to enter the direct mail business, Heinz having set aside £20million from their marketing spend for below the line activity including mainly direct mail. Some of the growth expected in this area will be through the big advertising agencies and will doubtless bring volume work. A potential threat is that technology is continually reducing in price and this may persuade more companies to switch to in-house operations again.

There certainly appears to be an opportunity for full outsourcing, particularly by existing litho printers who have the capital to invest in additional equipment such as ink jet or laser printing.

Currently the main drivers for clients to use outsourcers are the lack of experienced staff in the sophisticated end of the market and the cost of capital investment required in equipment and staff. The inhibitors are mainly the perception that it is cheaper in-house and can provide greater control.

Sales & Skill Requirements

Account executives or staff from the Marketing Services department deal direct with, most typically, the Marketing Department of the client companies. There is a high level of repeat business especially from the DataBase Group. No great changes are envisaged here as the company is against having a full-time sales force owing to the average salesman's lack of understanding of the finer points and problems which are intrinsic in the work.

However, a major challenge for a vendor in this market is to have and to keep the right staff with the right skills who are able to establish and maintain a good rapport with the clients and yet be commercial and cost effective - in short, they must be good managers.

In terms of technology there will always be the need to continue updating equipment and software, even though currently they are using some of the latest technology in the form of the Rank Xerox Manhattan 4135.

The need for more storage space, for example for pre-printed stationery, is continuing to increase - already they have 45,000 sq ft. in only 4-5 years of trading.

40 mins

U941

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING
(User Questionnaire)

Project Code/Catalog No. ☐☐|☐☐☐|☑☑☒☐

Type of Interview:

☐	Vendor	☑	Telephone	Interviewer Initials SCH
☐	User	☐	On-Site	Interview Date 01/02/94
☐	Other	☐	Mail	QC Initials ☐☐☐
				QC Date ☐☐/☐☐/☐☐
				Data Entry Initials ☐☐☐
				Data Entry Date ☐☐/☐☐/☐☐

Company: ABBEY NATIONAL plc. Company Type: ~~BANK~~ FINANCIAL SVCES CO.

Address: GENESIS HOUSE Sales: £n M.

701-749 Mid Summer Blvd Employees: 18,000

MK

City/State/Zip MK9 2JE

Main Telephone: 0908 348000 Fax: 0908 348082

Respondent(s):

Name	Title	Telephone/Extension
DONNA MORRIS	LASER PRINT BUYER	0908 348061

Referrals:

Industry (User Interviews only):

☐ Discrete Mfg.	☐ Wholesale	☐ Federal Government
☐ Process Mfg.	☑ Banking/Finance	☐ State & Local Government
☐ Transportation	☐ Insurance	☐ Consumer/Home
☐ Utilities	☐ Medical	☐ Other Industry specific
☐ Communications	☐ Services	
☐ Retail	☐ Education	☐ Cross Industry

Comments:

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre**. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Identification of Respondent

Q1a. Who in your organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services? Please provide the name and position. *(Multiple responses expected)*

- ❑ IS Central Personnel .....
- ❑ User department Personnel Direct Mail Buyers team of 6 at H-K Siemens not dep.
- ❑ Third Party Vendor .....

Q1b. Could you please describe the decision making process related to purchasing laser printer related products and services?

Out to tender to 3, Approved list of 50 (including Low Runs).

Q2. May I confirm some details about your current laser printing operations?

a) What is the hardware installed?

Vendor	Model No.	No. of Units
IBM		
Rank Xerox		
SNI	N.D2 Old business. Unisys equiv	1 of each.
Other (define)		

Dept accd S Fisher

b) What is your total print volume per week/day? 250,000 /week

800m envelopes/yr. In-house ~~4 weekly~~

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☑ No ☐

d) What are these applications and why are they critical?

1. Interest rate reviews: ht. rb. ? Revenue
2. Statements: cheque, TESSA, Mortgage, Explanation.
Annual G.A.M. Terms/yr. ht.
Ins. notices, Debt chasing.

Q3. Are printing operations becoming more or less critical to the organisation?

More: become no. hub in wall statement sys.: overload of tel. call queries.

If not a large installation with no critical applications end the interview at this point.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a) Satisfied: Improvements in Technology - resolution + speed

b) Problems No specific ones - tech & mail jobs.
Finishing

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot for lack of capital, staffing, skill problems etc.?

Yes ☐ No ☑

What are they?

Q5b. For example, is your current print budget sufficient to meet the needs placed on this part of the operation?

Yes

Q6. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality/security etc.?

Revenue: eg. mortgage int rate change - if up Abby suffer if down Lo. refinds. need to 1.3 million mortgages

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

Composition S/W

Q8. If little change, why is this?

Q9. What is your level of interest in using other technologies to cut down on your print volume, for example, using such technologies as these: (Please rate 1-5, 1 = low, 5 = high)

Document Image Management Systems	1 2 (3) 4 5
Report Distribution Systems	1 (2) 3 4 5
Forms Design Software	1 2 3 (4) 5
Other (Please define)	1 2 3 4 5

EDI but only 1. print suppliers - not to customers.

Attitudes to Services

Q10. What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

Data Analysis/Data Base Design	(1) 2 3 4 5
Use of Composition Software	1 2 3 (4) 5
Printing Design (Business Forms)	1 (2) 3 4 5
Finishing (Guillotining, folding	
Lamination, Hole punching) Nesting (fold for forward) Not Available	1 2 3 4 (5)
Mail sort, postal rebate and despatch Done at type bureau	(1) 2 3 4 5
Electronic delivery of information to replace paper	(1) 2 3 4 5
Others (Please define)	1 2 3 4 5
.....	1 2 3 4 5
.....	1 2 3 4 5

Q11. Is there any outsourcing for any aspects of your IT functions, if so what are they?

All in-house + Consult.

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

1. Journal type → cartridge } No. reproduction print volumes.
2. Cartridge → Edit

Q13. Do you use the same vendors for these different aspects of your operations? Who are your suppliers? Have to check

Computer, Xantrix, Jet, Letterbox, Mailcom, IQ, Colourgraphic, Moore Litho, Mail Mktg, Vesa (Xantrix)

Q14a. What benefits would/do you expect to achieve through outsourcing?

Variety of Technology, Capacity, Innovation (Handle finishing)

Q14b. If you are not outsourcing now, what might make you change that decision in the future?

✓

Q15. Are there any particularly critical applications that you would consider outsourcing the print operation for?

Yes do more

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ☑ No ☐

Q16b. Why/Why not?

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ❑ Many ☑

Why?

Variety - not with brokers only deal with vendors of paper, ink, buying, printing, binding

Q19. How soon do you anticipate using such services?

Now

Q20. Who do you perceive to be the most important vendors with regard to:

Printing technology?

Lithorex in Green Bay Idaho - we just
Kodak
Rah Knox, Siemens.

Systems operations (FM) etc?

No view

Q21. What would be the three most important reasons for your company to use an outside services provider?

1. Variety
2. Quality
3. Low overhead

Q22. What would be your principal selection criteria for selecting an outsourcing print vendor? (Please rate 1-5, 1 = low, 5 = high)

Reputation	1 2 (3) 4 5	
Experience	1 2 (3) 4 5	
Technology	1 2 (3) 4 5	
Organisational strength	1 2 (3) 4 5	
Cost/price	1 2 3 (4) 5	*
Contractual terms and conditions	1 2 3 (4) 5	
Security	1 2 3 (4) 5	
Quality of vendor personnel	1 2 3 (4) 5	*
Quality of service	1 2 3 (4) 5	*
Size of vendor	1 2 (3) 4 5	

Vendor's geographic coverage	1 2 3 4 5
Prior experience in your organisation	1 2 3 4 5
Ability to supply H/w and S/w as well as services	1 2 3 4 5
Application and industry knowledge	1 2 3 4 5
Other (please define)	1 2 3 4 5

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	❑
Print Bureau	☑
Outsourcing company etc.	❑
Other (Please define)	❑

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 5
Access to technology	1 2 3 4 5
Difficulties in dealing with technological change/improvement	1 2 3 4 5
Costs	1 2 3 4 5
Other Please define) HONESTY - COMMUNICATION	1 2 3 4 5

Q24a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ❑ No ☑

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q24b. Would an organisation like that be of interest to you?

Yes ❑ No ☑

If YES, ask the following:

Q24c. What is your general impression of EDOTECH and the services they provide?

..... POTENTIAL COMPETITOR ..... NOT LIKELY ...
.....

Q24d. If no opinion, why not?

.....
.....

Thank You

UQ42.
40 min

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING (User Questionnaire)

Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☐ Vendor ☐ Telephone

☐ User ☐ On-Site

☐ Other ☐ Mail

Interviewer Initials ☐☐☐

Interview Date ☐☐/☐☐/☐☐

QC Initials ☐☐☐

QC Date ☐☐/☐☐/☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐/☐☐/☐☐

Company: Clare Manhattan Bank

Company Type: Bank

Address: Clare Rd

Borrowash

AH7 7PB

Sales: _____

Employees: 1434

City/State/Zip _____

Main Telephone: ___/_____

Fax: ___/_____

Respondent(s):

Name	Title	Telephone/Extension
RICHARD MAJOR	OUTPUT SERVICES MANAGER	X2373

Referrals:

Industry (User Interviews only):

- ☐ Discrete Mfg.
- ☐ Process Mfg.
- ☐ Transportation
- ☐ Utilities
- ☐ Communications
- ☐ Retail
- ☐ Wholesale
- ☐ Banking/Finance
- ☐ Insurance
- ☐ Medical
- ☐ Services
- ☐ Education
- ☐ Federal Government
- ☐ State & Local Government
- ☐ Consumer/Home
- ☐ Other Industry specific
- ☐ Cross Industry

Comments: BANK

User Questionnaire (YNB1)

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The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Identification of Respondent

Q1a. Who in your organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services? Please provide the name and position. *(Multiple responses expected)*

- ☑ IS Central Personnel — Print Shop Mgr. Europe
- ☐ User department Personnel
- ☐ Third Party Vendor

Q1b. Could you please describe the decision making process related to purchasing laser printer related products and services?

Not very Strong process, assessment report to Snr. Mgt.

Q2. May I confirm some details about your current laser printing operations?

a) What is the hardware installed?

Vendor	Model No.	No. of Units
IBM		
Rank Xerox	2 x 1490 + 2 x 4235	→ 5 x 1990 No Color
SNI		
Other (define)		

b) What is your total print volume per week/day?

2.4 m hard copy / wk 55,000 / wk Fiche All in.

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☑ No ☐

d) What are these applications and why are they critical? Routine

Position reporting + Customer communications
A.T.C.
Financial reporting

Q3. Are printing operations becoming more or less critical to the organisation?

They are to reduce critical (?)

If not a large installation with no critical applications end the interview at this point.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a) Satisfied: Direct print facilities, small costs

b) Problems Vendor complacency

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot for lack of capital, staffing, skill problems etc.?

Yes ☑ No ☐

What are they?

Colour - too expensive. Otherwise ok

Q5b. For example, is your current print budget sufficient to meet the needs placed on this part of the operation?

O.K.

Q6. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality/security etc.?

No reporting → cash position - cash penalties, overdrafts

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

Aim to reduce but both growing. Standalone print platform. Decline in growth but growth will continue.

Q8. If little change, why is this?

Q9. What is your level of interest in using other technologies to cut down on your print volume, for example, using such technologies as these: (Please rate 1-5, 1 = low, 5 = high)

Document Image Management Systems	1 2 3 4 5	
Report Distribution Systems INFOPAC	1 2 3 4 (5)	US RMS / RMS / CA Deptek 2a forms / day
Forms Design Software Windows product	1 2 3 4 5	
Other (Please define) OCR	(1) 2 3 4 5	

RX PRINT COMMANDER Win → 4000's Internet

Attitudes to Services

Q10. What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

Data Analysis/Data Base Design	(1) 2 3 4 5
Use of Composition Software	1 2 (3) 4 5
Printing Design (Business Forms)	(1) 2 3 4 5
Finishing (Guillotining, folding	
Lamination, Hole punching) Have guillotine +	1 2 3 (4) 5
Mail sort, postal rebate and despatch	1 2 3 4 (5)
Electronic delivery of information to replace paper	(1) 2 3 4 5
Others (Please define) ENVELOPES	1 2 3 4 (5)
	1 2 3 4 5
	1 2 3 4 5

Q11. Is there any outsourcing for any aspects of your IT functions, if so what are they?

300 Tab Sys of our Sons systems Bags

Analysis → IBM

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

Unique role in DC. Get calls by many Kon ½ by charging to various projects, forms, stationery.

Q13. Do you use the same vendors for these different aspects of your operations? Who are your suppliers? RX : HW, acct, consumables. – Hard Copy, Fricke ~~Sch~~ NCR, Gorilla Service, Offs. materials.

Q14a. What benefits would/do you expect to achieve through outsourcing?

Expertise. Might time.

Q14b. If you are not outsourcing now, what might make you change that decision in the future?

If volumes reduced significantly.

Q15. Are there any particularly critical applications that you would consider outsourcing the print operation for?

Contingency. Note Buying. Red wgs m/c nbrs.

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ☑ No ☐

Q16b. Why/Why not?

If volumes down & prices right

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

1. Later technology 2. Price

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☑ Many ☐

Why?

Easier - mgt time

Q19. How soon do you anticipate using such services?

Not really

Q20. Who do you perceive to be the most important vendors with regard to:

Printing technology?

RX, IBM,

Systems operations (FM) etc?

As 1st bureau Rx

Q21. What would be the three most important reasons for your company to use an outside services provider?

1.
2.
3.

Q22. What would be your principal selection criteria for selecting an outsourcing print vendor? (Please rate 1-5, 1 = low, 5 = high)

Reputation	1 2 3 (4) 5
Experience	1 2 3 (4) 5
Technology	1 2 (3) 4 5
Organisational strength	1 2 (3) 4 5
Cost/price	1 2 3 4 (5)
Contractual terms and conditions	1 2 3 4 (5)
Security	1 2 3 (4) 5
Quality of vendor personnel	1 2 3 (4) 5
Quality of service	1 2 3 (4) 5
Size of vendor	1 2 (3) 4 5

Vendor's geographic coverage	1 2 (3) 4 5	IN AREA ONLY
Prior experience in your organisation	(1) 2 3 4 5	
Ability to supply H/w and S/w as well as services	(1) 2 3 4 5	
Application and industry knowledge	1 2 3 4 (5)	
Other (please define) CONFIDENCE	1 2 3 4 (5)	

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	❑
Print Bureau	❑
Outsourcing company etc.	☑ MR.
Other (Please define)	❑

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 (5)
Access to technology	1 2 3 4 (5)
Difficulties in dealing with technological change/improvement	1 2 (3) 4 5
Costs	1 2 3 4 (5)
Other Please define)	1 2 3 4 5

Q24a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ❑ No ☑

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q24b. Would an organisation like that be of interest to you?

Yes ❑ No ☑

If YES, ask the following:

Q24c. What is your general impression of EDOTECH and the services they provide?

.....
.....

Q24d. If no opinion, why not?

.....
.....

Thank You

UQ43,

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING (User Questionnaire)

Project Code/Catalog No. ☐☐|☐☐☐|☑☑☑☐

Type of Interview:

☐ Vendor ☑ Telephone

☑ User ☐ On-Site

☐ Other ☐ Mail

Interviewer Initials ☑☑☑

Interview Date ☑☑|☑☑|☑☑

QC Initials ☐☐☐

QC Date ☐☐|☐☐|☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐|☐☐|☐☐

Company: MATRIX DIR. MKTG Company Type: D.M. Agency.

Address: WIGGLESWORTH HOUSE Sales: £4 M.

69 SOUTHWARK BRIDGE RD # Employees: 12

City/State/Zip SE1 6NG

Main Telephone: 071/ Fax: 071 357 0278

Respondent(s):

Name	Title	Telephone/Extension
JOHN SAUKINS	M.D.	071 357 0424

Referrals:

Industry (User Interviews only):

☐ Discrete Mfg. ☐ Wholesale ☐ Federal Government
☐ Process Mfg. ☐ Banking/Finance ☐ State & Local Government
☐ Transportation ☐ Insurance ☐ Consumer/Home
☐ Utilities ☐ Medical ☐ Other Industry specific
☐ Communications ☐ Services
☐ Retail ☐ Education ☐ Cross Industry

Comments:

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre**. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Identification of Respondent

Q1a. Who in your organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services? Please provide the name and position. *(Multiple responses expected)*

- ☐ IS Central Personnel .....
- ☐ User department Personnel ..Acct. mngas.....
- ☐ Third Party Vendor .....

Q1b. Could you please describe the decision making process related to purchasing laser printer related products and services?

Main cat of vendors : first not approved but last client must approve.
Do. test. Competitive 3 tenders Choice + Mgmt.

Q2. May I confirm some details about your current laser printing operations?

a) What is the hardware installed? in supplies

Vendor	Model No.	No. of Units
IBM		
Rank Xerox		
SNI	Siemens NDX	Highlight color
Other (define)		

b) What is your total print volume per week/day?

60m packs/yr + print of inserts some provided. 250m.

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☑ No ☐

d) What are these applications and why are they critical?

DM financial services - Loans, insurance, ABS etc.

Q3. Are printing operations becoming more or less critical to the organisation?

N.a

If not a large installation with no critical applications end the interview at this point.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a) Satisfied: O.K

b) Problems Volume, cover problems - if 1 type may more under neither. Financial compensation → client.

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot for lack of capital, staffing, skill problems etc.?

Yes ☑ No ☐

What are they?

New applications for origami - folding

Q5b. For example, is your current print budget sufficient to meet the needs placed on this part of the operation?

Never enough - client always careful with their budget

Q6. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality/security etc.?

V. serious - should be sorted before - Always close date
Always have a back up -

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

20% upturn.
More DH generally

Q8. If little change, why is this?

Customer care - personal Regular

Q9. What is your level of interest in using other technologies to cut down on your print volume, for example, using such technologies as these: (Please rate 1-5, 1 = low, 5 = high)

Document Image Management Systems	(1) 2 3 4 5
Report Distribution Systems	(1) 2 3 4 5
Forms Design Software	(1) 2 3 4 5
Other (Please define)	1 2 3 4 5

Mostly not - DH. E-mail small extent.

Attitudes to Services

Q10. What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

Data Analysis/Data Base Design	1 (2) 3 4 5
Use of Composition Software	(1) 2 3 4 5
Printing Design (Business Forms)	1 2 3 4 (5)
Finishing (Guillotining, folding Lamination, Hole punching)	1 2 3 4 (5)
Mail sort, postal rebate and despatch	1 2 3 4 (5)
Electronic delivery of information to replace paper	(1) 2 3 4 5
Others (Please define)	1 2 3 4 5
.....	1 2 3 4 5
.....	1 2 3 4 5

Q11. Is there any outsourcing for any aspects of your IT functions, if so what are they?

None internal.

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

N/A

Q13. Do you use the same vendors for these different aspects of your operations? Who are your suppliers?

YES but not always.

Q14a. What benefits would/do you expect to achieve through outsourcing?

No overheads. Agency - not a printing - core service.

Q14b. If you are not outsourcing now, what might make you change that decision in the future?

Q15. Are there any particularly critical applications that you would consider outsourcing the print operation for?

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ☑ No ☐

Q16b. Why/Why not?

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

No overheads
No real skills in base printing

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ❑ Many ❑ Varies.

Why?

Depends on size of run. Few can do everything - 2-3 having ⇒ 1 for each part

Q19. How soon do you anticipate using such services?

All to them

Q20. Who do you perceive to be the most important vendors with regard to:

Printing technology?

(Letterbox) Xeikon, Scitex Nipdf (not RX).

Systems operations (FM) etc?

Don't know

Q21. What would be the three most important reasons for your company to use an outside services provider?

1. Overheads
2. Skills
3.

Q22. What would be your principal selection criteria for selecting an outsourcing print vendor? (Please rate 1-5, 1 = low, 5 = high)

Reputation	1 2 (3) 4 5
Experience	1 2 (3) 4 5
Technology	1 2 3 (4) 5
Organisational strength	1 2 3 4 (5)
Cost/price	1 2 3 (4) 5
Contractual terms and conditions	(1) 2 3 4 5
Security	1 2 3 4 (5)
Quality of vendor personnel	1 2 3 4 (5)
Quality of service	1 2 3 4 (5)
Size of vendor	(1) 2 3 4 (5)

Vendor's geographic coverage	(1) 2 3 4 5
Prior experience in your organisation	1 2 3 (4) 5
Ability to supply H/w and S/w as well as services	(1) 2 3 4 5
Application and industry knowledge	(1) 2 3 4 5
Other (please define)	1 2 3 4 5

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	☐
Print Bureau	☑
Outsourcing company etc.	☐
Other (Please define)	☐

not just + inkjet.
specialists print, boxing, enclosing (+ envelopes).

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 (5)
Access to technology	1 2 3 (4) 5
Difficulties in dealing with technological change/improvement	1 2 3 4 (5)
Costs	1 2 3 (4) 5
Other Please define)	1 2 3 4 5

Q24a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ☑ No ☐

biggest client is Barclays.

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q24b. Would an organisation like that be of interest to you?

Yes ☐ No ☐

If YES, ask the following:

Q24c. What is your general impression of EDOTECH and the services they provide?

Barclays in house could tell priority ... worry

Q24d. If no opinion, why not?

AA ? tried + closed down

Not Use?

Competition 4-5 only

Thank You

5.00 22/8/97 62 mins

VQ44.

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☐ Vendor ☑ Telephone

☑ User ☐ On-Site

☐ Other ☐ Mail

Interviewer Initials: [illegible]

Interview Date: [illegible]

QC Initials: ☐☐☐

QC Date: ☐☐|☐☐|☐☐

Data Entry Initials: ☐☐☐

Data Entry Date: ☐☐|☐☐|☐☐

Company: ~~[illegible]~~ P+O Events Ltd Company Type: P+O Events Organisers

Address: _____ Sales: £5-10 m.

_____ # Employees: 40

_____

City/State/Zip _____

Main Telephone: 071 / 385 1200 Fax: 071 / 370 8221 (Antigua)

Respondent(s):

Name	Title	Telephone/Extension
Victoria Barwick		071 370 8234

Referrals:

_____

_____

Industry (User Interviews only):

- ☐ Discrete Mfg.
- ☐ Process Mfg.
- ☑ Transportation Motor
- ☐ Utilities
- ☑ Communications Visconti
- ☑ Retail – home interior Tryllis
- ☐ Wholesale
- ☐ Banking/Finance
- ☐ Insurance
- ☐ Medical
- ☐ Services
- ☐ Education
- ☐ Federal Government
- ☐ State & Local Government
- ☑ Consumer/Home Antiques
- ☑ Other Industry specific IT Royal Tournament
- ☐ Cross Industry

Comments: Equestrian

_____

_____

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of printing operations associated with substantial computer applications. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Q1. Could you first of all give me some details about your current printing operations?

Ron Cushion 671 370 8491

What is the hardware installation? Print internally, Litho

What are the applications? Voting Bandits, Int. Letterhead (ECC) Exhibitors pictorial, orders forms, int document. — Now ⇒ Quality control

The computer operations in general e.g. is there any outsourcing for other aspects of IT? No

Are there any significant differences between the way you manage the data centre and the way you manage printing operations? Separate entities. + IT graphics

Do you use the same vendors for these different aspects of your operations? No.

Q2. How critical are the main print applications/operations to your organisation? Very. + more glossies printed

Are printing operations becoming more or less critical to the organisation? Same Incr.

Q3. Who do you perceive to be the most important vendors with regard to:

Printing technology? No idea.

Systems operations (FM) etc? Read Mader, Brana, Coventry Data Services.

Q4. Who is responsible in your organisation for decisions relating to printing? POEx services + Russell Taylor

Q5. Are there any particularly critical applications that you would consider outsourcing the print application for? Yes - the majority : catalogues, dicetats visitors exhibitors, Show catalogue, Tickets. Box Office - internal.

What benefits would you expect to achieve through outsourcing?

Equip + Quality + volumes not sufficient.

cost

If not now what might make a change to that decision in the future? Some quality issues.
Collating, inserting, mailing.

Q6. What would be your principal selection criteria for selecting an outsourcing print vendor?

Unprompted on a 1 to 5 scale

Reputation	1 2 3 4 5
Experience	1 2 3 4 (5)
Technology	1 2 3 4 (5)
Organisational strength	1 2 3 4 5
Cost/price	1 2 3 (4) 5
Contractual terms and conditions	1 2 3 4 5
Quality of vendor personnel	1 2 3 4 5
Quality of service	1 2 3 (4) 5
Size of vendor	1 2 3 4 5
Vendor's geographic coverage	1 2 3 4 5
Prior experience in your organisation	1 2 3 4 5
Ability to supply H/w and S/w as well as services	1 2 3 4 5
Application and industry knowledge	1 2 3 4 5
Other (please define) Timing.	1 2 3 4 (5)
Single or a number of specialist vendors?	1 2 3 4 5

Q7. What products and services are provided by whom? IBM (Halifax) London. Financial letters.
3-4 other printers Chipperfield, Alden Underwood (brokers) Pembury (Kent) Enfield

Q8. What roles would you expect the in-house staff to cover in relation to managing the use of external vendors to provide print services?

- ☐ IS central personnel
- ☐ End user personnel
- ☐ Third party vendor

Agree type. Obtain quote, Cost Quality. Deliveries.

Q9. Do you expect to cut down on your printing requirements in the future through such technologies as Document Image Management systems? No.

Q10. In relation to your current printing operations what areas are you most satisfied with and what areas do you have problems?
speed esp. - Internal print.
Quality - colour esp. on art items
Price

Q11. What do you anticipate would be the most significant benefits of using outsourcing for print operations?
Most / database by specialist.

How soon do you anticipate using such services ?

Q12. Are there any facilities or improvements that you would like to implement in the print operation but cannot do for lack of capital, staffing skill problems etc.? What are they?

Credit cards / Smart cards for use by exhibitors, visitors check-in.

Q13. Were you to use outside vendors for print operations would you rather hand the job to one firm or use an number of vendors to perform specialist roles?

Use several at the moment : would prefer 1 stg shop. but impractical + staff. to trust re costs

Vendor selection criteria.

Suitability of different types of vendor e.g.. equipment/product firm vendor professional services firm, outsourcing company etc.

Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality /security etc. Catastrophic - miss mailing date : V. Serious. Mild for Nov in US Nov. UK next month. Print is June/July.

Principal applications

What are the typical key problems that you encounter in the day to day management of your print operations. 1). Spec. or 2) Price
↳ type, colour, typesetting, design.

What kinds of changes in the print demand are you expecting in your organisation?

If little change why is this? steady resource.

Is your current print budget sufficient to meet the needs placed upon this part of the operation? Not. Balance revenue / costs.

What would be the three most important reasons for your company to use an outside services provider? Equipment, Money (syst, people), Quality.

How important are the following characteristics of an external vendor in influencing your decision to use an outside services vendor (1 to 5 scale)

Skills availability	1 2 3 4 (5)
Access to technology	1 2 3 4 (5)
Difficulties in dealing with technological change/improvement	1 (2) 3 4 5
Other	1 2 3 4 5

Have you had of approach Y (N)
Joint venture B&O + ISM

Thank You

Outsource Services.

None? why not?

35 mins.
UQ45.

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING
(User Questionnaire)

Project Code/Catalog No. ☐☐|☐☐☐|Y N G I

Type of Interview:

☐ Vendor ☑ Telephone
☑ User ☐ On-Site
☐ Other ☐ Mail

Interviewer Initials S H W

Interview Date 0 1 0 3 9 4

QC Initials ☐☐☐

QC Date ☐☐|☐☐|☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐|☐☐|☐☐

Company: TROPICAL PLACES

Company Type: TRAVEL

Address: FRESHFIELDS HOUSE
LEWES RD
FORGST ROW, SUSSEX

Sales: £11

Employees: 20

City/State/Zip RH18 5ES

Main Telephone: 0342 825123

Fax: 0342 822364

Respondent(s):

Name	Title	Telephone/Extension
JEANETTE M. DONALD	MKTG EXEC	0342 826468

Referrals:

Industry (User Interviews only):

☐ Discrete Mfg.
☐ Process Mfg.
☐ Transportation
☐ Utilities
☐ Communications
☐ Retail
☐ Wholesale
☐ Banking/Finance
☐ Insurance
☐ Medical
☐ Services
☐ Education
☐ Federal Government
☐ State & Local Government
☐ Consumer/Home
☑ Other Industry specific TRAVEL
☐ Cross Industry

Comments:

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre**. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Identification of Respondent

Q1a. Who in your organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services? Please provide the name and position. *(Multiple responses expected)*

- ☐ IS Central Personnel .....
- ☐ User department Personnel . MKTG EXEC + M.D.....
- ☐ Third Party Vendor .....

Q1b. Could you please describe the decision making process related to purchasing laser printer related products and services?

INVESTIGATE QUOTES RECOMMEND + M.D. Decision.

Q2. May I confirm some details about your current laser printing operations?

a) What is the hardware installed?

Vendor	Model No.	No. of Units
IBM		
Rank Xerox	4135?? Roctan?!	
SNI		
Other (define)		

b) What is your total print volume per week/day?

30000 Expanded 1 yr yr + 2 mkg to 20,000

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☑ No ☐

d) What are these applications and why are they critical?

Direct Mail - get direct broken - no travel agents

Q3. Are printing operations becoming more or less critical to the organisation?

More - expanding + variation

If not a large installation with no critical applications end the interview at this point.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a) Satisfied: Pitney on

b) Problems Variation could be improved - color + font

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot for lack of capital, staffing, skill problems etc.?

Yes ☑ No ☐

What are they?

Can't get it for existing supplies

Q5b. For example, is your current print budget sufficient to meet the needs placed on this part of the operation?

Yes

Q6. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality/security etc.?

Direct impact on mailing + sales 4-6 weeks

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

More - more of the same + extending the list

Q8. If little change, why is this?

Q9. What is your level of interest in using other technologies to cut down on your print volume, for example, using such technologies as these: (Please rate 1-5, 1 = low, 5 = high)

Document Image Management Systems	1 2 3 4 5
Report Distribution Systems	1 2 3 4 5
Forms Design Software	1 2 3 4 5
Other (Please define)	1 2 3 4 5

Teletext (5) Typesetting (3)

Attitudes to Services

Q10. What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

Data Analysis/Data Base Design	1 2 3 (4) 5
Use of Composition Software	1 2 3 (4) 5
Printing Design (Business Forms)	1 (2) 3 4 5
Finishing (Guillotining, folding Lamination, Hole punching)	1 2 (3) 4 5
Mail sort, postal rebate and despatch	1 2 3 4 (5)
Electronic delivery of information to replace paper	1 2 3 (4) 5
Others (Please define) Teletext	1 2 3 4 5
	1 2 3 4 5
	1 2 3 4 5

Q11. Is there any outsourcing for any aspects of your IT functions, if so what are they?

Sending disk to Reuters 1/month

PC system

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

Yes PC v. big mf/ net.

Q13. Do you use the same vendors for these different aspects of your operations? Who are your suppliers?

N/A

Q14a. What benefits would/do you expect to achieve through outsourcing?

Can't do in-house. 200,000 rems. →

Q14b. If you are not outsourcing now, what might make you change that decision in the future?

N/A

Q15. Are there any particularly critical applications that you would consider outsourcing the print operation for?

YES - DM

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ☑ No ☐

Q16b. Why/Why not?

So big.

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☐ Many ☑

Why?

Broader from one source, provided better from control.

Q19. How soon do you anticipate using such services?

Regular

Q20. Who do you perceive to be the most important vendors with regard to:

Printing technology?

Do not know. IBM / RX

Systems operations (FM) etc?

Do not know

Q21. What would be the three most important reasons for your company to use an outside services provider?

1. Size of job
2. Time involved
3. (Technology)

Q22. What would be your principal selection criteria for selecting an outsourcing print vendor? (Please rate 1-5, 1 = low, 5 = high)

Reputation	1 2 3 (4) 5
Experience	1 2 3 (4) 5
Technology	1 2 3 (4) 5
Organisational strength	1 2 3 (4) 5
Cost/price	1 2 (3) 4 5
Contractual terms and conditions	1 2 (3) 4 5
Security	1 2 3 4 (5)
Quality of vendor personnel	1 2 (3) 4 5
Quality of service	1 2 3 (4) 5
Size of vendor	1 (2) 3 4 5

Vendor's geographic coverage	1 2 3 4 5
Prior experience in your organisation	1 2 3 4 5
Ability to supply H/w and S/w as well as services	1 2 3 4 5
Application and industry knowledge	1 2 3 4 5
Other (please define)	1 2 3 4 5

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	❑
Print Bureau	❑
Outsourcing company etc.	☑
Other (Please define)	❑

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 5
Access to technology	1 2 3 4 5
Difficulties in dealing with technological change/improvement	1 2 3 4 5
Costs	1 2 3 4 5
Other (Please define)	1 2 3 4 5

Q24a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ☑ No ❑

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q24b. Would an organisation like that be of interest to you?

Yes ☑ No ❑

If YES, ask the following:

Q24c. What is your general impression of EDOTECH and the services they provide?

.....No.....

.....

Q24d. If no opinion, why not?

.....

.....

Thank You

UQ46.

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING (User Questionnaire)

Project Code/Catalog No. ☐☐|☐☐☐|☑☑☑☑

Type of Interview:

☐ Vendor ☑ Telephone

☑ User ☐ On-Site

☐ Other ☐ Mail

Interviewer Initials ☑☑☑

Interview Date ☑☑|☑☑|☐☐

QC Initials ☐☐☐

QC Date ☐☐|☐☐|☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐|☐☐|☐☐

Company: L. B BROMLEY

Company Type: L. B.

Address: CIVIC CENTRE

ROCHESTER LANE

BROMLEY KENT

Sales: _____

Employees: 10,000.

City/State/Zip BR1 3UH

Main Telephone: 081 464 3333 Fax: __/_____

Respondent(s):

Name	Title	Telephone/Extension
TONY SEATON		
LEE ELMS & c/o		

Referrals:

Industry (User Interviews only):

- ☐ Discrete Mfg.
- ☐ Process Mfg.
- ☐ Transportation
- ☐ Utilities
- ☐ Communications
- ☐ Retail
- ☐ Wholesale
- ☐ Banking/Finance
- ☐ Insurance
- ☐ Medical
- ☐ Services
- ☐ Education
- ☐ Federal Government
- ☑ State & Local Government
- ☐ Consumer/Home
- ☐ Other Industry specific
- ☐ Cross Industry

Comments:

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre**. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Identification of Respondent

Q1a. Who in your organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services? Please provide the name and position. *(Multiple responses expected)*

- ☐ IS Central Personnel .....
- ☑ User department Personnel ...BOARD TREASURER Chairman...
- ☐ Third Party Vendor .....

Q1b. Could you please describe the decision making process related to purchasing laser printer related products and services?

Competitive tendering → CFM as PR supplier

Q2. May I confirm some details about your current laser printing operations?

a) What is the hardware installed?

Vendor	Model No.	No. of Units
IBM		
Rank Xerox		
SNI		
Other (define)	ICL PP200 Siemens N3 engine.	Book

b) What is your total print volume per week/day?

35 K / week A4 s

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☑ No ☐

d) What are these applications and why are they critical?

Electoral Registration, Poll cards, Council Tax reminders, Payroll cheques, Housing Benefits, Rents

Q3. Are printing operations becoming more or less critical to the organisation?

No change - more communications

If not a large installation with no critical applications end the interview at this point.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a) Satisfied: Generally OK.

b) Problems No major problems - still not before time over. If we can provide info. to print.

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot for lack of capital, staffing, skill problems etc.?

Yes ☐ No ☑

What are they?

Q5b. For example, is your current print budget sufficient to meet the needs placed on this part of the operation?

For budget setting for next year

Q6. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality/security etc.?

Embarrassment
Delayed cash flow

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

Not unless control & quot. dumps to color

Q8. If little change, why is this?

Q9. What is your level of interest in using other technologies to cut down on your print volume, for example, using such technologies as these: (Please rate 1-5, 1 = low, 5 = high)

Document Image Management Systems	(1) 2 3 4 5
Report Distribution Systems	1 2 3 (4) 5
Forms Design Software	1 2 3 (4) 5
Other (Please define)	1 2 3 4 5

Attitudes to Services

Q10. What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

Data Analysis/Data Base Design	1 2 3 (4) 5
Use of Composition Software	1 2 3 (4) 5
Printing Design (Business Forms)	1 2 (3) 4 5
Finishing (Guillotining, folding Lamination, Hole punching)	1 2 3 (4) 5
Mail sort, postal rebate and despatch	1 2 (3) 4 5
Electronic delivery of information to replace paper	1 2 3 4 5
Others (Please define)	1 2 3 4 5
.....	1 2 3 4 5
.....	1 2 3 4 5

Q11. Is there any outsourcing for any aspects of your IT functions, if so what are they?

All with CRM

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

No

Q13. Do you use the same vendors for these different aspects of your operations? Who are your suppliers?

CFM

Q14a. What benefits would/do you expect to achieve through outsourcing?

Not exp. they in-house - should outbook on also and staff costs

Q14b. If you are not outsourcing now, what might make you change that decision in the future?

Q15. Are there any particularly critical applications that you would consider outsourcing the print operation for?

All outsourced bar small in-house.

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ☑ No ☐

Q16b. Why/Why not?

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

As above

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☑ Many ☐

Why?

Communications with same people
Except for mailing itself - in house

Q19. How soon do you anticipate using such services?

Q20. Who do you perceive to be the most important vendors with regard to:

Printing technology?

ICL (SIEMENS)

Systems operations (FM) etc?

CFM, Hoskyns, IBM related

Q21. What would be the three most important reasons for your company to use an outside services provider?

1.
2.
3.

Q22. What would be your principal selection criteria for selecting an outsourcing print vendor? (Please rate 1-5, 1 = low, 5 = high)

Reputation	1 2 3 (4) 5
Experience	1 2 3 (4) 5
Technology	1 2 3 (4) 5
Organisational strength	1 2 3 (4) 5
Cost/price	1 2 3 4 (5)
Contractual terms and conditions	1 2 3 4 (5)
Security	1 2 3 (4) 5
Quality of vendor personnel	1 2 3 (4) 5
Quality of service	1 2 3 4 (5)
Size of vendor	1 2 (3) 4 5

Vendor's geographic coverage	1 2 3 4 5
Prior experience in your organisation	1 2 3 4 5
Ability to supply H/w and S/w as well as services	1 2 3 4 5
Application and industry knowledge	1 2 3 4 5
Other (please define)	1 2 3 4 5

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	❑
Print Bureau	❑
Outsourcing company etc.	❑
Other (Please define)	❑

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 5
Access to technology	1 2 3 4 5
Difficulties in dealing with technological change/improvement	1 2 3 4 5
Costs	1 2 3 4 5
Other Please define)	1 2 3 4 5

Q24a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ❑ No ❑

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q24b. Would an organisation like that be of interest to you?

Yes ❑ No ❑

If YES, ask the following:

Q24c. What is your general impression of EDOTECH and the services they provide?

.....
.....

Q24d. If no opinion, why not?

.....
.....

Thank You

UQ47,

CONFIDENTIAL
INPUT QUESTIONNAIRE

Study Title: PRINT OUTSOURCING (User Questionnaire)

Project Code/Catalog No. ☐☐|☐☐☐|☐☐☐☐

Type of Interview:

☐	Vendor	☑	Telephone
☑	User	☐	On-Site
☐	Other	☐	Mail

Interviewer Initials ☐☐☐

Interview Date ☐☐|☐☐|☐☐

QC Initials ☐☐☐

QC Date ☐☐|☐☐|☐☐

Data Entry Initials ☐☐☐

Data Entry Date ☐☐|☐☐|☐☐

Company: CORNHILL INSURANCE plc

Company Type: INS.

Address: DIRECT INS DIV.

57 LADYMEAD

GUILDFORD

Sales: ?

Employees: 800.

City/State/Zip GU1 1DB

Main Telephone: 0483 68161

Fax: 071 220 2839

Respondent(s):

Name	Title	Telephone/Extension
	HEIDI WEBER	PRINT COORDINATOR.

Referrals:

Industry (User Interviews only):

☐ Discrete Mfg.	☐ Wholesale	☐ Federal Government
☐ Process Mfg.	☐ Banking/Finance	☐ State & Local Government
☐ Transportation	☑ Insurance	☐ Consumer/Home
☐ Utilities	☐ Medical	☐ Other Industry specific
☐ Communications	☐ Services	
☐ Retail	☐ Education	☐ Cross Industry

Comments:

User Questionnaire (YNB1)

The Market Opportunity for Outsourcing Printing Operations

I am calling from INPUT, an International research and consulting firm. We are conducting a study on customers' current experiences and expectations in the area of **laser printing** operations associated with substantial computer applications in the **data centre**. The information that you provide will be confidential and neither your name or that of your organisation will be connected with any information in the study. In return for your assistance, we will provide you with a complimentary copy of the summary of the survey findings.

The requirements for large print runs e.g. for billing, payroll, marketing communications etc. do not appear to be going away. However, customer organisations seem to be coming under pressure to increase the quality of such documents, their image, timeliness, etc., whilst at the same time keeping their associated costs well under control.

Identification of Respondent

Q1a. Who in your organisation is responsible for buying from external vendors providing laser printing equipment, supplies and services? Please provide the name and position. *(Multiple responses expected)*

- ☑ IS Central Personnel ..... Equipment .....
- ☑ User department Personnel ..... Direct WS. Div. .....
- ☐ Third Party Vendor .....

Q1b. Could you please describe the decision making process related to purchasing laser printer related products and services?

Depends on campaign ..... 3rd party (at owners sometime dictate. .....
For regular mailings home ..... Key person grabs from 3. .....

Q2. May I confirm some details about your current laser printing operations?

a) What is the hardware installed?

Vendor	Model No.	No. of Units
IBM		
Rank Xerox		
SNI	A3 NDX, NDZ	
Other (define)		

b) What is your total print volume per week/day?

xxx - xxxx / week for Birthday mailing 1½-2m / yr at least

c) Would you describe your laser printing applications as particularly critical to your organisation?

Yes ☑ No ☐

d) What are these applications and why are they critical?

Birthday mailing Personalised pieces in every mailing
All types communications done in house.

Q3. Are printing operations becoming more or less critical to the organisation?

Same - always important

If not a large installation with no critical applications end the interview at this point.

Operational Issues

Q4. In relation to your current printing operations what areas are you most satisfied with and in what areas do you have problems?

a) Satisfied: ok provided they perform from reply to post

b) Problems Not too soon - quality sometimes - not stuck enough
Late last months

Q5a. Are there any facilities or improvements that you would like to implement in the print operation but cannot for lack of capital, staffing, skill problems etc.?

Yes ☐ No ☑

What are they?

Q5b. For example, is your current print budget sufficient to meet the needs placed on this part of the operation?

Yes

Q6. Could you give me some idea of the impact on your organisation of major problems in achieving print deadlines/quality/security etc.?

Long response time to key note - because of
short lead time eg. Birthday

Q7. What kinds of changes in the laser print demand are you expecting in your organisation?

Gradual increase ... Not much in summer

Q8. If little change, why is this?

Q9. What is your level of interest in using other technologies to cut down on your print volume, for example, using such technologies as these: (Please rate 1-5, 1 = low, 5 = high)

Document Image Management Systems	1 2 3 4 5	DON'T KNOW.
Report Distribution Systems	1 2 3 4 5	
Forms Design Software	1 2 3 4 5	
Other (Please define) E-mail	1 2 3 (4) 5	

Attitudes to Services

Q10. What is your level of interest in the following print services?
(Please rate 1-5, 1 = low, 5 = high)

in-house

Data Analysis/Data Base Design	(1) 2 3 4 5
Use of Composition Software	1 2 3 4 (5)
Printing Design (Business Forms)	(1) 2 3 4 5
Finishing (Guillotining, folding Lamination, Hole punching)	1 2 3 4 (5)
Mail sort, postal rebate and despatch	1 2 3 4 (5)
Electronic delivery of information to replace paper	(1) 2 3 4 5
Others (Please define)	1 2 3 4 5
.....	1 2 3 4 5
.....	1 2 3 4 5

Q11. Is there any outsourcing for any aspects of your IT functions, if so what are they?

Not to the knowledge.

Q12. Are there any significant differences between the way you manage the data centre and the way you manage printing operations?

Inhouse versus buying in for direct mail
Yes

Q13. Do you use the same vendors for these different aspects of your operations? Who are your suppliers?

N/A

Q14a. What benefits would/do you expect to achieve through outsourcing?

Can't do in-house - mailing stock, 3rd party/customer
care, stop letter shops for printing, stuffing, sealing.

Q14b. If you are not outsourcing now, what might make you change that decision in the future?

Q15. Are there any particularly critical applications that you would consider outsourcing the print operation for?

All outsourced

Q16a. Would you consider outsourcing the whole of your print and finishing operations?

Yes ☑ No ☐

Q16b. Why/Why not?

Can't do in-house

Q17. What do you anticipate would be the most significant benefits of using outsourcing for print operations?

Getting the job, part use of m/c + skills keeping

Q18. For print operations would you rather hand the job to one firm or use a number of vendors to perform specialist roles?

One ☐ Many ☑

Why?

often one co for whole job but not always
e.g. print → electronic for covering + stitch.

Q19. How soon do you anticipate using such services?

None

Q20. Who do you perceive to be the most important vendors with regard to:

Printing technology?

Mail Rite & Waddies ie Synd as pre vendors

Systems operations (FM) etc?

Not known

Q21. What would be the three most important reasons for your company to use an outside services provider?

1. (Get job done) Quality + Service
2. Machine capability
3.

Q22. What would be your principal selection criteria for selecting an outsourcing print vendor? (Please rate 1-5, 1 = low, 5 = high)

Reputation	1 2 3 (4) 5
Experience	1 2 3 (4) 5
Technology	1 2 3 4 (5)
Organisational strength	1 2 3 (4) 5
Cost/price	1 2 3 (4) 5
Contractual terms and conditions	1 2 3 (4) 5
Security	1 2 3 4 (5)
Quality of vendor personnel	1 2 3 4 (5)
Quality of service	1 2 3 4 (5)
Size of vendor	1 2 (3) 4 5

Vendor's geographic coverage	1 2 (3) 4 5
Prior experience in your organisation	1 (2) 3 4 5
Ability to supply H/w and S/w as well as services	(1) 2 3 4 5
Application and industry knowledge	(1) 2 3 4 5
Other (please define)	1 2 3 4 5

Local vendor

Q23a. What is the most suitable type of vendor?

Hardware manufacturer	❑
Print Bureau	☑
Outsourcing company etc.	❑
Other (Please define)	❑

Q23b. How important are the following characteristics of an external vendor in influencing your decision to use that vendor (Please rate 1-5, 1 = low, 5 = high)

Skills availability	1 2 3 4 (5)
Access to technology	1 2 3 4 (5)
Difficulties in dealing with technological change/improvement	1 2 3 (4) 5
Costs	1 2 3 (4) 5
Other Please define)	1 2 3 4 5

Q24a. Finally, I would like to ask you whether you have heard of EDOTECH?

Yes ❑ No ☑

If NO, explain that it is a joint venture between, Barclays Computer Operations and IBM to do print outsourcing.

Q24b. Would an organisation like that be of interest to you?

Yes ☑ No ❑

If YES, ask the following:

Q24c. What is your general impression of EDOTECH and the services they provide?

.....
.....

Q24d. If no opinion, why not?

.....
.....

Thank You

UQ41

INPUT: PRINT OUTSOURCING
USER REPORT

Company:	Abbey National plc			Turnover:	£6.7Bn, £704M profit	
Address:	Genesis House			Employees:	18,000	
	301-349 Midsummer Boulevard					
	Milton Keynes					
	MK9 2 JE					
Contact:	1.	Donna Morris	Tel:	0908 348000	Fax:	0908 348082
	2.	Laser Print Buyer	Tel:	0908 348061	Fax:	

Company organisation

This is a major UK banking and financial services company that has grown from being a building society into owning insurance companies (Abbey National Life and Scottish Mutual) and treasury operations and provides a full range of mortgage, banking and saving services with huge numbers being involved.

Identification of Respondent

Sandra Kilbane is the manager of a team of six print buyers one of whom is Donna Morris whom she nominated as the person to respond to this questionnaire. The normal purchasing process is to select a number, at least three from the approved supplier list of 50, and request quotations. These are then assessed and following recommendations a purchase is made. They have an in-house Siemens Nixdorf cold fusion ND2 printer and a Unisys equivalent of this - these are dedicated to the production of cheque account statements.

Q2b They used 80 million envelopes last year and print 280,000 documents a week in-house. They have to use a number of suppliers especially for one mailing per year which is to 9 million customers - they use three suppliers for that and are using suppliers throughout the UK and Europe to meet their huge requirements.

UQ2c Clearly, laser printing is critical to their business. For example, interest rate notifications to mortgage holders has a dramatic effect on income and customer relations; statements for cheque accounts, TESSAs, mortgages, annual general meetings, insurance notices and debt chasing all affect their business. The importance of laser printing is becoming more important since, unlike other banks they do not currently have a 'through the wall' system for generating statements for their clients. Thus any delays in statements can cause a swamping of the customer relations staff dealing with endless telephone calls.

Q3d

Operational Issues

Abbey is very satisfied with the progress and improvements in technology enabling them to gain improvements in both resolution and speed of printing. There are no particular dissatisfactions since they are able to choose the technology to suit the job in hand. However, finishing is a big issue at the moment, particularly in trying to achieve nesting of multiple items, both facing forward, from a duplex A3 reel to reel laser printer. Apart from that, there are no facilities that they feel they cannot acquire or afford.

Timeliness is crucial. Taking the example of late delivery to customers of a mortgage interest rate change:

If the mortgage rate increases then Abbey would suffer late payments, if the rate went down, then many

customers telephone or write in requesting refunds of often small amounts, which is time consuming and costly in effort terms to do. Since they have 1.3 million mortgagees one can understand the problem!

The only change expected in the laser industry which is important for Abbey is Composition software to enable multiple documents to be produced in the same print run and this is being thoroughly investigated at the moment.

Ratings on technology interest to reduce printing were:

Document Image Management Systems	3
Report Distribution Systems	2
Forms Design Software	4
Other (Please define)	2

EDI but only to send payments to print suppliers (not to customers) therefore not much effect.

Attitudes to Services

The ratings of interest were as follows:

Data Analysis/Data Base Design	1	(do it all in-house)
Use of Composition Software	4	
Printing Design (Business Forms)	3	
Finishing (Guillotining, folding Lamination, Hole punching)	5	(nesting as described)
Mail sort, postal rebate and despatch	1	(done at Abbey before tapes sent out)
Electronic delivery of information to replace paper	1	
Others (Please define) None		

No outsourcing of the IT functions occurs - it is all done in-house with occasional help from consultants. The only plans for change in the data centre and printing activity is to move from open reel tape to cartridge and then on to EDI eventually. They use a whole range of suppliers for different things - a 'horses for course' philosophy: they currently use Crawfords, Printronic International. Lettershop, MailCom, K2, ColourGraphics, Moore Lithorex (Belgium), Vesa (ex Venturini - Italian) and Mail Marketing. The main benefits that they see for outsourcing are in the ability to use a vast array of technologies, deal with very large capacity requirements and take advantage of innovations, for example the newer Hunkler machines for finishing and enclosing). They would certainly consider outsourcing all the print activity for these reasons, using many vendors but not using brokers, always preferring to deal direct with suppliers, including stationery and paper suppliers.

In print technology they see Moore Lithorex as one of the main leaders, specifically for the ink-jet technology added to existing wet ink web machinery. Kodak, Rank Xerox and Siemens are the other front runners.

The ratings for selecting an outsource company were as follows:

Reputation	3
Experience	3
Technology	3
Organisational strength	3
Cost/price	4
Contractual terms and conditions	4

Security	4
Quality of vendor personnel	4
Quality of service	4
Size of vendor	3
Vendor's geographic coverage	1
Prior experience in your organisation	2
Ability to supply H/w and S/w as well as services	1
Application and industry knowledge	3
Other (please define) none	

The most suitable type of vendor is a print bureau. The characteristics were rated as follows:

Skills availability	3
Access to technology	3
Difficulties in dealing with technological change/improvement	4
Costs	3
Honesty in communication	5

She had not heard of EDOTECH but thought they would not be of interest if they were reviewing the market again since they would be seen as a potential competitor, being owned by another major bank.

UQ42

INPUT: PRINT OUTSOURCING
USER REPORT

Company:	Chase Manhattan Bank			Turnover:	£ M
Address:	Chaseside			Employees:	1434
	Bournemouth				
	BH7 7DB				
Contact:	1. Richard Major	Tel:	0202 342000 x2373	Fax:	
	2.	Tel:		Fax:	

Company organisation

This is a large successful international American Bank with offices worldwide and providing the full range of financial services. It has a number of Data Centres, one of which is situated in Bournemouth and is the major one for UK, Europe, Middle East and Africa (EMEA). There are 300 technical staff there supporting the large mainframe systems and until recently they used t outsource their laser printing to MR Microrite.

Richard Major is the manager of the Print Shop for Europe and was responsible for both outsourcing and subsequent 'insourcing' of the personalised laser printing activity. It was felt well worthwhile proceeding with the interview since this represents precisely what can happen in the market if internal volumes can justify the capital purchase of the required equipment.

Identification of Respondent

IS Central personnel are responsible for all purchasing from external vendors and were before the decision to bring the activity in-house.

The process for purchasing such services falls in to the familiar pattern of taking a view of the market and the major players, conducting a survey and collecting quotations and prices, assessing the offers and writing a report to senior IS management for final decision.

Chase have installed two RX 1490 and two RX 4235 but will be rationalising and upgrading this to five RX 1490 machines. (Thus no colour facility here). They are printing 2.4 million pages per month to hard copy and a further 55,000 copies to fiche. Laser printing is critical to the organisation: such applications as position reporting for their dealers, Bank of England reporting and financial reporting together with routine customer communications form the bulk of the work and is critical since there are serious financial implications if they are not done or if they are late. The current aim is to reduce the criticality of documents but in practice his users are still dependent on them.

Operational Issues

Mr Major is currently satisfied with the diversity of print services and technology available but is less happy with the hardware vendors because of what he sees as their complacency. This contrasts with the views expressed by Mike Braggins of Rank Xerox who was certainly expressing concern about sales and the pressure on margins due to strong competition. In terms of improvement he would be happy to provide colour solutions but currently the costs are prohibitive; otherwise his budget is sufficient to meet the needs.

If major problems were experienced in achieving their normal workload within deadlines there would be

serious implications - some of the reporting is a legal requirement and failure to conform brings a financial penalty (a fine) and lateness with the position statements could lead to overtrading and deep financial embarrassment to the traders and the Bank.

Whilst their is an aim to reduce the amount of laser printing and indeed there are reductions in some areas, the Bank continues to grow. The net result is that growth in laser printing is continuing but the rate of growth has reduced. Ratings on technology interest to reduce printing were:

Document Image Management Systems		1	
Report Distribution Systems		5	(Use InfoPac, RMS, DMS, CA Despatch)
Forms Design Software		4	(Use Windows products to produce 20 forms/day
Other (Please define)	OCR	1	Early investigation
	RX Print Commander	4	Use to print from Windows to RX 4090 printers

Attitudes to Services

The rating s were as follows:

Data Analysis/Data Base Design	1
Use of Composition Software	3
Printing Design (Business Forms)	1
Finishing (Guillotining, folding Lamination, Hole punching)	4
Mail sort, postal rebate and despatch	5
Electronic delivery of information to replace paper	1
Others (Please define) Envelopes	5

Given their size no outsourcing of the data centre is carried out or planned. Occasionally there are contractors or consultants but nothing major.

Printing operations are a unique function in the Data Centre - by bringing the service in-house costs were cut by more than half. This was achieved through more efficient purchasing of materials and a focus on the efficiency of the operation. They now buy all hardware from Rank Xerox together with the maintenance and the consumables. In terms of the fiche activity they use NCR with Granada for servicing and Agfa for the consumable materials .

If they were to choose to outsource in the future, and the reason would have to be a drastic reduction in the print volumes, the expected benefits would be in the area of reduced Chase Manhattan management time being required but more importantly the gain in the experience from the external vendor. The only current service they may consider outsourcing would be contingency/back up, but even then, through buying 2nd user machines, costs can be reduced significantly - they are doing this already for their main machines. They would consider outsourcing everything again if the volumes reduced and the price was right. If they did they would prefer to go to one supplier (like MR Microrite as before) since it is easier on management time.

The most important vendors of hardware are in Mr Major's view, clearly Rank Xerox and IBM, but he has no first hand knowledge of FM suppliers.

The ratings for selecting an outsource company were as follows:

Reputation	4	
Experience	4	
Technology	3	
Organisational strength	3	
Cost/price	5	
Contractual terms and conditions	5	
Security	4	
Quality of vendor personnel	4	
Quality of service	4	
Size of vendor	3	
Vendor's geographic coverage	3	(But need to be in their area)
Prior experience in your organisation	1	
Ability to supply H/w and S/w as well as services	1	
Application and industry knowledge	5	
Other (please define) Confidence	5	

The most suitable type of vendor is a group like MR Microrite - a full service print/fiche mailing bureau. The characteristics were rated as follows:

Skills availability		5
Access to technology		5
Difficulties in dealing with technological change/improvement	3	
Costs		5

He had not heard of EDOTECH but thought they may be of interest if they were reviewing the market again.

UQ43

INPUT: PRINT OUTSOURCING
USER REPORT

Company:	Matrix Direct Marketing Ltd	Turnover:	£4M		
Address:	Wigglesworth House	Employees:	12		
	69 Southwark Bridge Road				
	London				
	SE1 0NG				
Contact:	1. John Sawkins MD	Tel:	071 357 0424	Fax:	071 357 0278
	2. Adrian Drake Acct Mngr		Tel:	Fax:	

Company organisation

This is a small direct marketing agency used by five of the major players in the financial world of the city: Barclays Bank and Commercial Union are two of them. The contact was given to Input by Fiona Trickett of Commercial Union. Their skills are in identifying how best to promote and sell a financial service through direct mail, to be able to commission creative work, ensure it is personalised and printed and despatched within budget and to the satisfaction of the client.

Identification of Respondent

Mr John Sawkins is the managing director and has worked for a number of companies in the direct mail business including one which was owned by MailCom. He has established this company in the last year or so and is trading profitably. He and his account managers are the print buyers of the company and they are buying on behalf of their clients. They have a main set of vendors that they know and use - this has not become a formal 'approved list' like the larger companies (such as Abbey National plc) but clients must approve any major changes before proceeding. Typically they will go out to tender from three suppliers, make their judgements and build the print service into their quotation to their client. Once business is won they can confirm their orders to the print suppliers.

For the most part, their printing is done through bureaux which are using Siemens Nixdorf printers (NDXs) which are reel to reel high volume and have the facility to provide highlight colour. During the last year they have been responsible for the mailing of 60 million packages, each of which contains some inserts - he estimates some 250 million of these were included, a large number of them personalised laser printed. Clearly, printing is critical to their business and that of their clients: from Matrix point of view, if there was no print, there would be no business; from the clients' point of view, if there was no direct mail there would be no new business. The applications are all financial services from loans and mortgages to insurance, PEPs and so on.

Operational Issues

Generally Matrix is satisfied with the services it acquires - if there were any serious problems they would deal with it first and then perhaps change vendors next time. They do seek and gain financial redress for any problems which affect the client and this is passed on to the client.

They are always seeking new applications for clever origami type inserts which are affordable to the clients. Budgets are never enough, but they always manage to produce an agreeable package within the budget constraints set out by the clients.

Major problems would have a severe impact on both the agency and the client. However, normally, they have always identified problems early and have been able to modify the mailing, for example, closing dates for offers, in order to avoid catastrophic mailings (offering an out of date special). As far as the printing itself is concerned, they always have a back up printer to ensure that the mailing will be printed within the deadlines despite a printer failure. A 20% upturn is expected in print since direct mail appears to be continuing its increase, particularly with respect to customer care programs to ensure regular communications with customers to increase loyalty.

Ratings on technology interest to reduce printing were:

Document Image Management Systems	1	
Report Distribution Systems	1	
Forms Design Software	1	
Other (Please define) Email	2	(only to a small extent)

Attitudes to Services

The ratings of interest were as follows:

Data Analysis/Data Base Design	2
Use of Composition Software	1
Printing Design (Business Forms)	5
Finishing (Guillotining, folding Lamination, Hole punching)	5
Mail sort, postal rebate and despatch	5
Electronic delivery of information to replace paper	1
Others (Please define) None	

IT is small internally - simply PCs and therefore not outsourced. The print services that they buy for their clients are often the same but they do change occasionally; they have no intention of ever doing anything but outsourcing this aspect of the business since they do not want to have the overheads in terms of capital cost of machinery or the expensive staff to have the technical skills to understand and run it.

For any one job, Matrix will sometimes choose to use one vendor and on other occasions use a number; in most cases there will be two or three laser printing shops involved, all feeding their work to a mailing house for enclosing and despatch.

ElectraPress as used by the Lettershop is seen as state of the art and together with Siemens constitute Mr Sawkins views about leaders in print technology. IT systems outsourcing is outside their experience. Clearly therefore, the cost of overheads of capital spend and staffing and training are the top two reasons for outsourcing. The ratings for selecting an outsource company were as follows:

Reputation	3
Experience	3
Technology	4
Organisational strength	5
Cost/price	4
Contractual terms and conditions	1
Security	5
Quality of vendor personnel	5
Quality of service	5
Size of vendor	1

Vendor's geographic coverage	1
Prior experience in your organisation	4
Ability to supply H/w and S/w as well as services	1
Application and industry knowledge	1
Other (please define)	none

The most suitable type of vendor is a print bureau. They prefer being able to buy in specialists in print (including wet ink with ink jet technology), lasering and enclosing (including envelopes) to ensure the best service for their clients.

The characteristics were rated as follows:

Skills availability	5
Access to technology	4
Difficulties in dealing with technological change/improvement	5
Costs	4

Mr Sawkins knew of EDOTECH when prompted - he knew there was a joint venture between BCO and IBM but had forgotten the name. His view was that Matrix would not use them since he felt that in-house work of Barclays (Matrix's biggest client) would take priority and could cause problems for other clients. He quoted the AA and National Westminster as having tried the same idea but had closed the activity down. There was also the possibility of concern over competitive information but not very serious, particularly since Matrix only has five main clients.

UQ44

INPUT: PRINT OUTSOURCING
USER REPORT

Company: P & O Events Ltd
Address: Earls Court Exhibition Centre
Warwick Road
London
SW5 9TA

Turnover: £5-10 M
Employees: 40

Contact: 1. Victoria Borwick, Director Tel: 071 370 8234 Fax: 081 370 8221
2. Ron Cushion, Print Manager Tel: 071 370 8441 Fax:

This report will differ from the other user reports since it is based to a large extent on the second version of the user questionnaire. Later interviews are base on version 4, following feedback and discussions with EDOTECH by Stephen Helms and Peter Lines.

Company organisation

P & O Events Ltd (POEV) is one of a number of companies within the Earls Court & Olympia group which is owned by the P&O Group of companies. The events company organises major events from the Ideal Home Exhibition, the Boat Show, the Car Show and the Royal Tournament to smaller exhibitions/seminars including The Antiques Show, Multi-media and shows for other specific industries such as engineering, stationery, training etc.

Individual directors take responsibility for specific shows and organise the selling of show space to exhibitors and entrance to visitors. Plumbing/electrical requirements and catering are coordinated through sister companies P & O Exhibitions Ltd (POEX) and Beeton Rumford respectively.

Some printing is produced in-house through the AS400 network, some through the in-house print shop (POEX Services) and some through third party vendors or outsourcers.

Identification of Respondent

Victoria Borwick is a director responsible for a number of the exhibitions/shows and is a budget holder for marketing and IT spend to achieve revenue and profit targets. Ron Cushion is the manager of the internal print shop which produces most of the pre-print internal documents such as invoice and purchase order blanks, letter head paper for the companies in the group etc. However, some decisions concerning the method of printing will be left to Mr Cushion and if the cost is relatively high then Russell Taylor, the Financial Controller, will have the final say. Wayne Goodin is the IT Manager responsible for the AS400/S38 network and the 200 PCs in the group and will have some influence on printing if bulk printing for example were to interfere with other critical processing requirements.

For all printing from the AS400 it is done as a straightforward job between departments. The costs are recharged as a proportion of total costs by the IT department. For marketing mailings to exhibitors POEV does not become directly involved in the purchasing of laser printing related products and services, preferring to rely on the two internal sets of experts (IT and POEX services) and a number of external suppliers with whom they have a long standing relationship. Consequently, Victoria Borwick does not know what equipment is used, save for the local desk top lasers attached to the PCs in the office and the

same applies to total volumes of printing.

Printing of materials is seen as a crucial part of the business - unless certain deadlines are met, particularly informing exhibitors of action required, a complete show might have to be abandoned with serious implications for reputation, revenue and profit. They cannot be more critical. For example, printing was completed in June/July and the mailing has already gone to the USA advertising an event in November: if dates were missed there would be virtually no US participation in that show.

Operational Issues

They are generally satisfied with the printing operations of various kinds but occasionally there are problems in complex colour matching, the price of print or delays in the preparation of personalised letters. The speed of the internal print service is excellent - very often less than 24 hour turnround of quite complex material. They always strive for improvement but do, like most organisations, have to limit expenditure and compromise accordingly on quality - otherwise, if it is justified, they can usually do most things that they currently wish to. Having said that, it is evident that there will be perhaps some possibilities Victoria Borwick does not know about, since she considers many of the aspects of the printing side of the business too technical/complex to deal with and these would divert her from the main stream business of creating the show.

She expressed a general expectancy that the company would keep up to date with technology but could not highlight any specific changes - again because it is not her role to do so. There was no expectancy to cut down on print volumes or to use any new technology to assist this.

Attitudes to Services

No specific ratings of levels of interest in specific services were collected but from the use of specific external vendors it is clear that the development and maintenance of databases, printing, finishing and despatch were important since they do not have the volume of staff needed to cope with their mailings in-house.

IT functions and graphics are carried out internally by their respective departments and not outsourced. The printing operations are very separate in the POEX Services or through external vendors, including:

- Chipperfields in Enfield
- IFM (Hefax) in London (personalised letters for Fashion and Antiques shows)
- Arthur Underwood, a broker who buys from a number of printers
- Penshurst in Kent

There are no known connections between any of these vendors and any others that may be used by the other departments or perhaps even other Directors of POEV itself.

The main benefit of outsourcing were seen to be having the management of the database done by a specialist. They are certainly not against outsourcing and currently use external vendors for the production of catalogues, show guides, direct mail to visitors and exhibitors. The Box Office is run in-house (a recent development on an IBM RS6000) however. The only things that might change that view would be having the same facilities in-house, including all the other finishing and mailing services - but this was thought to be unlikely.

Whilst it is more Russell Taylor's decision concerning complete outsourcing there is no reason in principal why all printing related activities could be outsourced - but in practice there is a long history of having some in-house services and demands are such that very fast turnround to ad hoc demands is expected. Many vendors are used any most likely would continue to be used owing to the variety of skills, techniques and printing technologies being used. At Earls Court & Olympia group board there is a general wish to

coordinate and package the services of the three companies so that it would be possible for any exhibitor to register for an event and be able to purchase all services at once - a place at the exhibition (a 'shell' scheme), a suitable package of electrical services and the required catering services - instead of having to deal with each of the three organisations separately. If this business process re-engineering did take place and the joint sales staff were thus 'empowered', it would be an easier task to coordinate and consequently outsource print requirements which would, therefore, be of greater bulk than the current individual print runs.

Victoria has no detailed knowledge of the outsourcing/FM vendors but perceives the main reasons to use outsourcing as:

- Use of specialised equipment
- Money related to both equipment and staff
- Quality

The ratings for principal selection criteria were (unprompted)

Experience	5
Technology	5
Cost/price	4
Quality of service	4
Other - Timing	5

Prior experience and industry knowledge have clearly played a part in their purchasing judgements but this was not rated specifically by version 2 of the questionnaire. Nor was the most suitable type of vendor but primarily the printing and finishing resource are the key components.

The following characteristics of an external vendor in influencing your decision to use that vendor were rated thus:

Skills availability	5
Access to technology	5
Difficulties in dealing with technological change/improvement	2
Costs	5

As stated above, Victoria Borwick makes no claim to knowledge of the outsourcing market, has never heard of EDOTECH and has no views about it. She felt that Wayne Goodin may know or Ron Cushion may be a softer touch (geddit?)

UQ45

INPUT: PRINT OUTSOURCING
USER REPORT

Company:	Tropical Places	Turnover:	£ 11M
Address:	Freshfields House	Employees:	20
	Lewes Road		
	Forest Row, Sussex		
	RH18 5ES		

Contact:	1.	Jeanette MacDonald	Tel:	0342 825123	Fax:	0342 822364
	2.	Marketing Executive	Tel:	0342 826468	Fax:	

Company organisation

Tropical Places is a small but successful travel company specialising in, as the name suggests, tropical places such as the Caribbean, the Far East and Australasia. They have succeeded in growing the business to £11 million through advertising in the quality Sunday newspapers. They have built a database of 200,000 on their own PC network and through shipping floppy disks to the DataBase Group in Bristol are able to send personalised laser printed communications to customers.

Identification of Respondent

Laser printing is purchased by Jeanette MacDonald, the Marketing Executive and the Managing Director. Normally she obtains quotes from vendors, makes a recommendation to the MD and a decision is taken. The printing is done through the DataBase Group using Roetarn in Bristol and they are using Rank Xerox printing equipment. Their print volume is relatively small - about 150,000 per year split into a major mailing with the brochure once a year and smaller intermediate mailings of 20,000 every two months. Although small, the printing is critical - since sales follow the mailing within 4-6 weeks, any delay would have a direct effect on revenues and cash flow. Further, they do not operate through travel agents so direct mail is very important and likely to become more so since they are culling the existing mail list but expanding DM activity and doing more variations on existing themes.

Operational Issues

They are currently very satisfied with the database and its use in the marketing activity but feel that the presentation quality of the personalised letters could be improved. Their view is that, whilst satisfied with their existing suppliers at the moment, they cannot get the improvements they are seeking from them, so change may be required. Otherwise, the budget is sufficient and the business is still doing well.

As mentioned above direct mail directly effects and affect revenue which is why more variations on current mailings will be carried out and new extensions to the database are planned. Ratings on technology interest to reduce printing were:

Document Image Management Systems	1	
Report Distribution Systems	1	
Forms Design Software	1	
Other (Please define) Teletext	1	One of the first to use this for travel advertising and it is successful

Attitudes to Services

The rating s were as follows:

Data Analysis/Data Base Design	4
Use of Composition Software	4
Printing Design (Business Forms)	4
Finishing (Guillotining, folding Lamination, Hole punching)	3
Mail sort, postal rebate and despatch	5
Electronic delivery of information to replace paper	4
Others (Please define) Teletext	5

In the sense that they send data to Roetarn for printing they are outsourcing that aspect but she has no first hand knowledge of FM suppliers since they are not big enough to even consider them. The main benefits of outsourcing the mailing are being able to achieve things that would otherwise be impossible - they do not have the staff, equipment or premises to handle the sizes of mailings done or planned. They are open to outsourcing the whole of the print and finishing activity (some is still carried out at Forest Row for those enquiries that arrive in between mailings). They would have a preference for using a number of vendors for different services to give flexibility of print types and quality. The most important issues for Tropical Places are 1) the size of the job and 2) the time involved - the technology used rates a poor third.

The ratings for selecting an outsource company were as follows:

Reputation	4
Experience	4
Technology	4
Organisational strength	4
Cost/price	3
Contractual terms and conditions	3
Security	5
Quality of vendor personnel	3
Quality of service	4
Size of vendor	2
Vendor's geographic coverage	2
Prior experience in your organisation	1
Ability to supply H/w and S/w as well as services	1
Application and industry knowledge	1
Other (please define) none	

The most suitable type of vendor is a company like the Database Group providing advice and buying a full service from mailing and print bureaux as appropriate. The characteristics were rated as follows:

Skills availability	4
Access to technology	5
Difficulties in dealing with technological change/improvement	4
Costs	4

She had not heard of EDOTECH but thought they may be of interest if they were reviewing the market again.

UQ46.

INPUT: PRINT OUTSOURCING
USER REPORT

Company:	London Borough of Bromley	Turnover:	£nM
Address:	Civic Centre Rochester Avenue Bromley, Kent BR1 3UH	Employees:	10,000

Contact:	1.	Lee Elms CFM	Tel:	081 464 3333	Fax:
	2.	Tony Seaton	Tel:	081 313 5061/2 direct at CFM	

Company organisation

A London Borough that has chosen to outsource all the mainstream IT functions and the laser printing with it. The majority of work is for the Treasury, the Electoral registration and Housing departments.

Identification of Respondent

The borough treasury decided through competitive tendering to outsource the whole of the IT function to CFM. Consequently when called to discuss their views they referred Input to the service provider for all technical and business details. The laser printers used are ICL PP200s which apparently have Siemens engines and cost about £300K each. The average weekly print run is 35,000 but this increases occasionally for special events. Printing is critical for the client since the mailings are the prime method of communicating with the public about: electoral registration, poll cards, council tax demands, property cards and housing benefits - all have a revenue implication. It has always been very important and it is unlikely that this will change.

Operational Issues

The client is generally pleased with the service and has not made any complaints to Tony Seaton's knowledge. When there have been problems, CFM has always managed to sort it out before any effect on the client or a mailing. CFM and Bromley are content with the facilities they have but nonetheless the printing capability is to be increased to meet both Bromley's and other clients requirements more easily. Currently the FM budget covers the needs adequately. If there were major problems, then the major issue for Bromley would be dealing with the embarrassment and the delays in cash flow that resulted. The demand for laser printing is not expected to change unless the rules from central government affect the way the Borough has to behave.

Ratings on technology interest to reduce printing were:

Document Image Management Systems	1
Report Distribution Systems	4
Forms Design Software	4
Other (Please define)	

Attitudes to Services

The ratings of interest were as follows:

Data Analysis/Data Base Design	4
Use of Composition Software	4
Printing Design (Business Forms)	3
Finishing (Guillotining, folding	
Lamination, Hole punching)	4
Mail sort, postal rebate and despatch	3
Electronic delivery of information to replace paper	1
Others (Please define) None	

All IT and print services are with the FM company CFM bar very small local applications and CFM provides local desk top lasers for that to the client. The client gains through accessing greater experience and sharing the overheads of the machinery and the staff who run them. Bromley prefers to deal with one supplier to make its communications simpler and to be able to assign responsibility and culpability. However, apparently Bromley does have the printed material returned to the Civic Centre daily by courier and it handles the mailing separately - presumably in-house. Perhaps they still have a hangover group of staff from earlier times.

ICL and Siemens were seen as major players in the print arena, while CFM, Hoskyns and one or two IBM related shops were the main competition in FM. The main reasons for using a service like CFM are cost, communications and control.

The level of interest ratings for print services were as follows:

Reputation	4
Experience	4
Technology	4
Organisational strength	4
Cost/price	5
Contractual terms and conditions	4
Security	4
Quality of vendor personnel	4
Quality of service	5
Size of vendor	3
Vendor's geographic coverage	2
Prior experience in your organisation	5
Ability to supply H/w and S/w as well as services	5
Application and industry knowledge	4
Other (please define) none	

A complete outsourcing to a professional IT organisation is Bromley's evident choice.

The characteristics were rated as follows:

Skills availability	4
Access to technology	4
Difficulties in dealing with technological change/improvement	5
Costs	5

Mr Seaton had not heard of EDOTECH and appeared to consider it just another competitor.

UQ47

INPUT: PRINT OUTSOURCING
USER REPORT

Company:	Cornhill Insurance Ltd	Turnover:	£nM
Address:	Direct Insurance Division	Employees:	10,000
	57 Ladymead		
	Guildford		
	GU1 1DB		

Contact:	1.	Heidi Wieser	Tel:	0483 68161	Fax:	071 220 2839
	2.	Mike Hayward Mktg Mngr		Tel:		

Company organisation

Cornhill Insurance is a major insurance company offering many different kinds of insurance. The Direct insurance division provides a number of insurances (life, property, contents etc) and sells them through direct mail. Mike Hayward is the Marketing Manager and Heidi Wieser is the Print Coordinator.

Identification of Respondent

IS central personnel (Tony Kurton) is responsible for purchasing any equipment that the company needs but the user departments buy their own direct marketing laser print services. Concerning the laser printing purchase process, it very much depends on the campaign: sometimes the third party list owners dictate which mailing house should be used for security reasons (that is, they are ensuring that lists do not pass into the hands of those who rent them). Cornhill has a few regular mailing houses it prefers to use but this is not exclusive and occasionally a new house is sought through competitive tender from three new vendors.

For the most part, lasering is accomplished through their mailing houses on A3 Siemens Nixdorf printers - the NDX and NDZs for new activities.

The size of the regular daily birthday mailings (those highlighting an individual's birthday and the increase in cost that will occur following the anniversary - to encourage them to buy now!) varies from a few hundred to a few thousand but over the year it is estimated that 1½ -2 Million pieces per year are printed and mailed. Lasering is critical since every mailing has at least one personalised piece and this is the only regular means of Cornhill being able to communicate with its customers. Its importance will not change in the foreseeable future since the best method of gaining new business appears to be personalised mailing.

Operational Issues

As far as is known, they have always been relatively satisfied with the services received - from laser proofing through to posting. There are occasional minor problems with quality, for example the black ink not being black enough or laser proofs being a little late but nothing to effect the business drastically. Generally they have all the facilities that they want and they can afford to buy them in (Oh to be so lucky!).

If there was a major problem in delivery then this would have a serious impact on the take-up of policies offered. For example, if a birthday mailing went out late, since there is a reduced window between the receipt of the mailer and the cut-off date (the person's birthday) then the take-up would suffer since many could not or would not be able to respond in the time available - hence lost business and revenue.

It is felt that there is a gradual increase in the amount of mailings year on year although no statistics appeared to be available. In addition, mailings have been reduced in summer so a clear picture is not presented.

Ratings on technology interest to reduce printing were:

Document Image Management Systems	?	
Report Distribution Systems	?	
Forms Design Software	?	
Other (Please define) Email	4	(for internal comms)

Heidi was not familiar with the technologies so presumably does not get involved and leaves this to her senior colleagues.

Attitudes to Services

The ratings of interest were as follows:

Data Analysis/Data Base Design	1	(done in-house)
Use of Composition Software	5	
Printing Design (Business Forms)	1	
Finishing (Guillotining, folding Lamination, Hole punching)	5	
Mail sort, postal rebate and despatch	5	
Electronic delivery of information to replace paper	1	
Others (Please define) None		

For mainstream IT services, these are provided through Mr Kurton's internal IT department. Thus it is understood that the two areas are dealt with in totally different ways - IT department dealing with internal reporting and printing, direct mailing being achieved exclusively through buying in the external services. She is convinced they could not possibly do in-house what they buy in from external vendors and not just because of volume: the third party list brokers/owners will only provide their services through external print shops. In addition, Cornhill wishes to be able to buy a one-stop shop service for printing (meaning pre-print with wet ink), lasering (for personalisation) and enclosing (finishing and nesting in envelopes).

All these critical functions are outsourced for the three reasons of getting the job done with service and quality, being able to use part of an expensive machine without owning it and not having to have detailed technical skills to do it. They often use one company for a whole job but there are occasions where the pre-print will be bought from a number of suppliers and these will feed a separate lasering organisation with the skilled staff.

From Heidi's point of view therefore, the most important vendors with respect to printing technologies are the print bureaux that Cornhill buys from - in other words effectively delegating all the R & D work to the external vendors: amongst these are Mail Marketing, Waddies and a number of others.

The level of interest ratings for print services were as follows:

Reputation	4
Experience	4
Technology	5
Organisational strength	4

Cost/price	4	
Contractual terms and conditions	4	
Security	5	
Quality of vendor personnel	5	
Quality of service	5	
Size of vendor	3	
Vendor's geographic coverage	3	(better if local)
Prior experience in your organisation	2	
Ability to supply H/w and S/w as well as services	1	
Application and industry knowledge	1	
Other (please define) none		

Print bureaux are the favoured suppliers. The characteristics were rated as follows:

Skills availability	5
Access to technology	5
Difficulties in dealing with technological change/improvement	4
Costs	4

She had never heard of EDOTECH but indicated that she would be interested to learn more about them.